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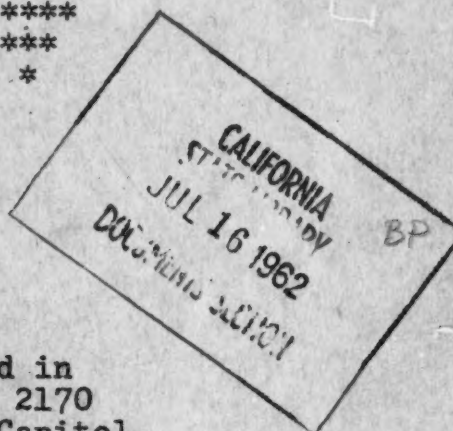
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CALIFORNIA LEGISLATURE
ASSEMBLY INTERIM COMMITTEE ON EDUCATION

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Proceedings of the Hearing conducted by
the SUBCOMMITTEE ON SCHOLARSHIPS regard-
ing the Federal Aid to Education Plan,
and State Scholarship Plan.

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Held in
Room 2170
State Capitol,
Sacramento, California.

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Thursday, December 18, 1958

10:00 o'clock, a. m.

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ASSEMBLY, INTERIM COMMITTEE ON EDUCATION

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A P P E A R A N C E S

Subcommittee Members:

Assemblyman George C. Crawford, CHAIRMAN
Assemblyman Edward M. Gaffney
Assemblyman H. W. Kelly,
Assemblyman Samuel R. Geddes
Assemblyman Harold T. Sedgwick

Committee Staff Present:

James C. Marshall, Consultant
Blanche Hanson, Secretary,
Harold Krabbenhoft, Verbatim Reporter.
Barbara Calais, Legislative Counsel's Office.

Others in attendance:

Assemblyman Leverette D. House
Assemblyman Sheridan N. Hegland,
J. Graham Sullivan, State Department of
Education.
Wesley P. Smith, State Department of
Education.
Lawrence D. Kearney, State Department of
Education.
Richard L. Mayers, Attorney General's Office.
James W. Moore, State Scholarship
Commission.
Herman J. Hauck, State Scholarship
Commission, Vice Chairman.
James E. Ludlan, Association California
Colleges and Universities.
Robert J. Johnson, University of California.
Edna A. Goodale, University of California.
George A. Pettitt, University of California.
Robert E. McKay, California Teachers,
Association.
Roy Archibald, National Education Association.

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I N D E X

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Meeting called to order 7

WITNESSES:

J. Graham Sullivan 9

Wesly J. Smith 31

Laurence D. Kearney 50

Richard Mayers 61

James W. Moore 102

Father Herman J. Hauck 112

James E. Ludlan. 121

Robert S. Johnson. 126

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1 . . . The hearing of the Assembly Subcommittee
2 on Scholarships of the Assembly Interin Committee on Educa-
3 tion of the California Legislature was called to order at
4 10:00 o'clock a. m. on December 18th, 1958, in Room 2170 of
5 the State Capitol Building, Sacramento, by Assemblyman
6 George C. Crawford, Chairman, presiding, the following pro-
7 ceedings were had . . .

8 CHAIRMAN CRAWFORD: The Subcommittee on Scholar-
9 ships will now come to order. I am Assemblyman George
10 Crawford, Chairman of the Subcommittee. I would like to
11 introduce the other members of the Subcommittee who are with
12 us this morning.

13 At my far left is Assemblyman Sheridan Hegland,
14 Assemblyman from the 77th District. To his right is
15 Assemblyman H. W. "Pat" Kelly from the 39th Assembly Dis-
16 trict. To my far right is Assemblyman Leverette House from
17 the 76th Assembly District. To the left of Assemblyman
18 Hegland is Barbara Calais from the Legislative Counsel's
19 Office. To my immediate left is Blanche Hanson, Secre-
20 tary to the Committee. To my immediate right is Jim
21 Marshall, Consultant to the Committee. I believe that
22 two of the individuals or one of the individuals whom we had
23 requested to be here this morning is not present. Is
24 Lawrence Kearney here?

25 MR. J. GRAHAM SULLIVAN: Lawrence Kearney is
26 not present. He is meeting with the State Board this

1 morning. However, Dick Mayers from the Attorney General's
2 Office, to whom we directed our questions with respect to
3 legal aspects of this legislation, Public Law 864, is pre-
4 sent.

5 CHAIRMAN CRAWFORD: What is your name, sir?

6 MR. SULLIVAN: J. Graham Sullivan, State Depart-
7 ment of Education.

8 CHAIRMAN CRAWFORD: Will the Sergeant at Arms
9 retire to the State Board meeting and request Lawrence
10 Kearney to come over here immediately?

11 SERGEANT AT ARMS: What room is he in?

12 MR. SULLIVAN: 517.

13 SERGEANT AT ARMS: Of which building?

14 MR. SULLIVAN: Education Building.

15 CHAIRMAN CRAWFORD: It would be the Education
16 Building.

17 We are here under the authority of House Resolu-
18 tion Number 285 of the 1957 regular session of the Assembly.
19 This resolution charges the Assembly Committee on Education
20 to ascertain, study and analyze all facts relating to the
21 education of the citizens of this State, and all facts relat-
22 ing to the schools, colleges and universities, public or
23 private, the education practices in the State, the State
24 Department of Education, the State Board of Education, the
25 Superintendent of Public Instruction, and other State and
26 local agencies or officers whose actions affect education

1 in this State.

2 Today we are gathered to hear testimony on two
3 subjects. This morning's session will be devoted to
4 the Federal Aid to Education Plan that was passed by the
5 last session of the Congress of the United States and its
6 effect on the education of the citizens of this State. The
7 second item on our agenda will be the State Scholarship
8 Plan and suggested legislative changes to that act.

9 As I mentioned, we have now in the laws of the
10 country, a Federal Aid to Education Act, which is presently
11 being implemented within this state. This Federal Act
12 has several sections, and I would like to review them brief-
13 ly with you now.

14 Title I of the Act contains a statement of find-
15 ings and declaration of policy and also includes a section
16 defining terms used in the act. The term higher educa-
17 tion institution means any educational institution in the
18 State which (1) admits as regular students only persons
19 having a certificate of graduation from high school, or the
20 recognized equivalent of such a certificate, (2) is legally
21 authorized to provide an educational program beyond high
22 school, (3) provides an educational program for which it
23 awards a Bachelor's Degree or provides not less than a two-
24 year program which is acceptable for full credit toward such
25 a degree, (4) is a public or nonprofit institution, and (5)
26 is accredited by a nationally recognized accrediting agency

1 or association or if not so accredited, is an institution
2 whose credits are accepted on transfer by not less than
3 three institutions which are so accredited.

4 Title II of the Act establishes a Federal Student
5 Loan Program and is entitled "Loans to Students in Institu-
6 tions of Higher Education". The funds appropriated by
7 this title are allocated to the several states by the Com-
8 missioner of Education in accordance with a prescribed formu-
9 la and must be used for the establishment and maintenance of
10 student loans funds. The institutions themselves must
11 make application to the Federal Government for these funds
12 and signs an agreement containing prescribed terms and con-
13 ditions.

14 Title III of the Act appropriates a specified sum
15 for making payments to State educational agencies for the
16 acquisition of equipment. The funds are paid to the State
17 on a matching basis in accordance with a "State plan approv-
18 ed under Section 303" of the Act.

19 Title IV of the Act authorizes the Commissioner
20 of Education to award fellowships to individuals accepted
21 for study in graduate programs.

22 Title V of the Act authorizes the establishment of
23 a program for the testing of high school students having out-
24 standing aptitudes and ability and providing for guidance
25 and counseling services. These funds are paid to the
26 states on a matching basis after the state has submitted a

1 state plan.

2 Title VI of the Act is entitled "Language Develop-
3 ment" and the purpose of the Act is two-fold. Part A
4 authorizes the Commissioner of Education to contract with
5 institutions of higher education for the establishment and
6 operation of centers for the teaching of certain foreign
7 languages and related fields of study. Part B authorizes
8 contracts for short-term or regular institutes for advance
9 training of teaches of foreign languages.

10 Title VII of the Act requires the US Commissioner
11 of Education to Conduct and foster research in the fields
12 of television, radio, motion pictures, and related media of
13 communication which may prove of value to state or local
14 educational agencies in the operation of their public ele-
15 mentary or secondary schools and to institutions of higher
16 education.

17 Title VIII of the Act relates to vocational educa-
18 tion programs and amends the Vocational Education Act of
19 1946 to authorize the allocation of Federal funds on a match-
20 ing basis for the purpose of training individuals in certain
21 specified fields necessary for the national defense.

22 Title IX of the Act requires the National Science
23 Foundation to establish a Science Information Service to
24 provide for services leading to a more effective dissemination
25 of scientific information.

26 And, finally, Title X of the Act provides for the

1 administration of the Act, appointment of advisory committees
2 and the approval of state plans as are required under certain
3 titles of the Act.

4 As you have probably noted, several of the Titles
5 in this Act provide for state participation in the plan and
6 the use of state monies for the carrying out of some of the
7 provisions.

8 We would now like to hear from the Department of
9 Education on the progress they have made to date in imple-
10 menting this Act, and the required legislation that will be
11 necessary in order to carry out some of its provisions.

12 Mr. Sullivan?

13 MR. J. GRAHAM SULLIVAN: Yes?

14 CHAIRMAN CRAWFORD: Will you be the first wit-
15 ness, please? Will you have a seat and introduce your-
16 self for the record, please?

17 MR. J. GRAHAM SULLIVAN: J. Graham Sullivan,
18 Coordinator of the National Defense Education Act, State
19 Department of Education.

20 Mr. Chairman, first I want to say that we do appre-
21 ciate the opportunity to appear before this Subcommittee
22 and report to you on the action which we are taking in the
23 State Department of Education for the implementation of
24 Public Law 864, the National Defense Education Act.

25 Now, from your comments, I assume what you would
26 like to have from us and Mr. Wesley Smith, State Director

1 of Vocational Education, who has accompanied me here and
2 will make some specific comments with reference to progress
3 which has been made on Title VIII, the vocational education
4 section of the Act, I assume what you want from us is a
5 progress report?

6 CHAIRMAN CRAWFORD: That is correct, Mr. Sullivan.

7 MR. SULLIVAN: As to the ways we have moved
8 ahead to implement the provisions of this particular act.

9 Now, we have made available to Mr. Marshall copies
10 of the progress report released by Dr. Simpson approximately
11 ten days ago to the Superintendents and Administrators
12 throughout the State, and that is available to the Committee
13 and I do have additional copies if they are desired by the
14 members of the Committee.

15 Now, you have reviewed for us in brief the pro-
16 visions of the Act, and I'll not take time to go into de-
17 tail on those, except as there may be comments that would
18 be of interest to you and significant as we move ahead with
19 our implementation.

20 First, the State Department, the agency responsible
21 for implementation in California, has a responsibility for
22 the administration of four of the provisions of the Act.
23 Those are Title III, the title for the improvement of in-
24 struction in mathematics, science and foreign languages;
25 Title V, the provision for the improvement of testing, coun-
26 seling and guidance programs throughout the State; and

1 Title VIII, which is really an amendment to -- which provides
2 for an amendment to our existing State plan for vocational
3 education; then Section 10009, of Title X, which provides
4 for activities for the improvement of our statistical ser-
5 vices in gathering data, reporting data with reference to
6 education throughout the State of California.

7 Now, those are the four specific titles for which
8 the State Department has the responsibility of preparing
9 State plans and submitting those State plans through the
10 State Board of Education to the United States Commissioner
11 of Education. Those State plans, in fact, become the
12 agreement between the State Department of Education and the
13 United States Commissioner of Education for the implementa-
14 tion of the program in California.

15 Following the approval of the State Plans of the
16 State Board and approval by the United States Commissioner,
17 then we will release to the field, to the Superintendents
18 and Administrators throughout the State, the procedures and
19 the regulations for, actually, the detailed implementation
20 in the field, and that is the process we have to go through
21 in order to actually get into business in this program under
22 these four specific titles.

23 Now, in addition to that, the State Department
24 has assumed the responsibility for making information avail-
25 able to institutions of higher education in school districts
26 throughout the State with reference to other provisions of

1 Title, and so actually, the State Department has been serv-
2 ing in that dual role. Now, this is where we are now,
3 and I will report as to the steps we have taken in order
4 to achieve the point where we find ourselves at the present
5 time.

6 As you know, the act was signed by the President
7 on September 2nd. Our Superintendent, Dr. Roy Simpson
8 was asked by the United States Commissioner of Education
9 to play a leading role in working with the United States
10 Commissioner and his staff in the interpretation of the
11 legislation and in drafting of the regulations for forward-
12 ing to the various states for these four particular Titles.
13 Dr. Simpson went back first as one of the ten chief State
14 school officers to meet with the Commissioner, working on
15 the interpretation of regulations. The second time he
16 went back as a member of the chief State school officers'
17 total group from throughout the forty-eight states, and then
18 a third time as a member of a group of ten chief state school
19 officers once again, and so through the leadership of Dr.
20 Simpson, California has played a major role in interpreting
21 the provisions of the act and in drafting the regulations
22 for its implementation. Now, immediately following clear-
23 ance from Dr. Simpson, State Superintendent, the profession-
24 al staff in Sacramento moved ahead and started to work on
25 drafting of State plans under these four Titles that I have
26 referred to.

1 As a first step we called into Sacramento advisory
2 committees for each of the Titles. These advisory commit-
3 tees had representatives from school districts throughout the
4 State of California. We tried to get a good cross section
5 of small school districts, large school districts, unified;
6 we had institutions of higher education represented, we had
7 county school offices represented on the advisory committees,
8 and so the first draft of State plans for these four Titles
9 were then reviewed by advisory committees. The second
10 draft following work with the committees went back to the
11 field for their review and suggestions. We have continued
12 to report to the Superintendents and Administrators and
13 staff throughout the State as to the progress being made
14 to get their reactions and their suggestions in order that
15 the State plans finally recommended would include provisions
16 to meet local school needs. And I want to at this point
17 emphasize this: That in the preparation of these plans
18 we had a mandate from the Superintendent to do a number of
19 things, and I want to refer to two of them: One, is to
20 provide provisions in the State plans that will allow maxi-
21 mum assistance to local school districts and provide for the
22 major part of the funds made available to be used in local
23 school districts with the minimum amount being retained for
24 any State staff or State supervision. Secondly, that in
25 accordance with the spirit of the Act itself, and I think
26 this is significant to bring to the attention of the Committee,

1 that there is a provision in the Act itself which makes it
2 mandatory that there be no Federal control of education
3 under this act, Public Law 864.

4 I want to read this: It is Section 102 of
5 Title I, "Nothing contained in this Act shall be construed
6 to authorize any department, agency, officer or employee of
7 the United States to exercise any direction, supervision
8 or control over the curriculum program of instruction,
9 administration or personnel of any educational institution
10 or school system", and as Dr. Simpson and others who worked
11 with the United States Commissioner in Washington on regula-
12 tions, they held to this, and therefore, we feel that we
13 would have from Washington regulations which are not restric-
14 tive, and are written in the spirit of this provision of the
15 act itself.

16 So we had as a second mandate from the Superinten-
17 dent in drafting the State plans that we see to it that this
18 legislation would be an incentive legislation, would encour-
19 age creative activities in local school districts and enable
20 them to do the things they needed to do to meet their own
21 problems and their own needs with a minimum of control from
22 the State level.

23 Now, that is the procedure we followed. We are
24 at this point now: Mr. Smith will report in more detail
25 on Title VIII, the vocational education provision, the State
26 plan or amendments, to say it more accurately, the amendment

1 to the existing California State Plan for Vocational Educa-
2 tion has been forwarded to the Board, State Board, has been
3 approved by the State Board, has been approved by the United
4 States Commissioner in Washington, and the guides and regula-
5 tions have gone out to the field. I think that we might
6 say that we are in business on Title VIII right now.

7 Title III, the improvement in instruction in
8 mathematics, science and foreign languages, and Title V,
9 the guidance title, those State plans are now complete. We
10 are presenting those two State plans to the State Board this
11 afternoon, and then after being approved by the State Board,
12 those would be forwarded to Washington.

13 May I back up just a moment?

14 One of the first things which the Superintendent
15 did after getting the materials and information from Washing-
16 ton with reference to Public Law 864 was to address the com-
17 munication to the Attorney General, Brown, raising questions
18 with reference to legislation or the legality of the State's
19 participation in this program and authority to submit to
20 them.

21 CHAIRMAN CRAWFORD: Pardon me. Do you have a
22 copy of that correspondence?

23 MR. SULLIVAN: I do have, yes.

24 CHAIRMAN CRAWFORD: May we have it, please?

25 MR. SULLIVAN: Yes.

26 CHAIRMAN CRAWFORD: Thank you.

1 MR. SULLIVAN: We had, in response to that cor-
2 respondence, we had verbal word from the Attorney General's
3 Office that we could proceed, and it has been on that basis
4 then, that we have proceeded in developing our State plans
5 and have moved ahead to this point where we are at the pre-
6 sent time.

7 CHAIRMAN CRAWFORD: Do I understand you correctly
8 there is no written opinion of the Attorney General's Office?

9 MR. SULLIVAN: That is correct.

10 CHAIRMAN CRAWFORD: And that various contracts
11 have been entered into without any written legal opinion?

12 MR. SULLIVAN: Well, may I make this comment
13 with reference to that: The only contract that has been
14 entered into is the contract under Title VIII, which is an
15 amendment to the existing State plan for vocational educa-
16 tion, and so actually, reference, then, for that action
17 would be back to several sections of the California School
18 Code, Education Code, which has enabled us to move ahead
19 with our vocational education program for a good many years
20 on the basis of that legislation, so that the only contract
21 that has been entered into is an amendment to an existing
22 State plan for vocational education in California. No
23 other contract has been entered into as of this date.

24 CHAIRMAN CRAWFORD: And with regard to this
25 particular contract, has the State received money?

26 MR. SULLIVAN: The State has received money,

1 right.

2 CHAIRMAN CRAWFORD: Then the credit of the State,
3 I presume, has been pledged to the repayment of these funds?

4 MR. SULLIVAN: Well, I'm going to ask Mr. Smith,
5 there is no -- the funds under Title VIII, you say "repay-
6 ment", this is not a loan. This is a grant from the
7 Federal Government for the extension of vocational education
8 in California, so there is no commitment as such for the
9 repayment of these funds. Now, if I may refer to Mr.
10 Smith at the moment and ask Mr. Wesley Smith if he wishes
11 to make any comment with reference to your question? Is
12 that in order, Mr. Chairman?

13 CHAIRMAN CRAWFORD: Certainly.

14 MR. SULLIVAN: Wes, do you want to make any
15 comment?

16 MR. SMITH: I have no comment to make.

17 CHAIRMAN CRAWFORD: Do you want to proceed?

18 MR. SULLIVAN: Now, I think probably the only
19 other thing that I'm going to do at this point would be to
20 make just a few additional comments, Mr. Chairman, with re-
21 ference to the four Titles for which the State has the res-
22 ponsibility for administration.

23 Title III, which is for improvement of instruction
24 in three subject areas of mathematics, science and foreign
25 languages, there are two parts to this title. The first
26 is an equipment provision, which authorizes a maximum for the

1 State of California of \$3,036,000 annually for a period of
2 four years. That would be this fiscal year, and then for
3 three additional years, to enable local school districts to
4 purchase equipment for instruction in these three areas.
5 Now, this money is to be spent at the local level and re-
6 quires local matching money.

7 To illustrate, if a proposal or a project be sub-
8 mitted to the State for approval under the State plan for
9 Title III in the amount of \$10,000, then if it is approved,
10 \$5,000 of Federal money would be available and the District
11 would have to supply \$5,000 of District money for the pur-
12 chase of this equipment. Now, that is in brief the pro-
13 vision of Title III, Part (a).

14 Now, there is the second provision in Title III
15 which is for the improvement of supervision in these three
16 areas and provides a maximum in California of \$362,000. It
17 was our understanding and interpretation at the outset that
18 this money could be used to help support the programs for
19 local school districts. We found that this was not the
20 case, that this money was made available by the Federal
21 Government for the strengthening of supervision at the State
22 level. Again following the instructions from Superinten-
23 dent Simpson in developing our State plans, we were told
24 that we should find a way if we could in order to make these
25 funds available for services to the local districts, and so
26 we have moved ahead in the development of our State plans in

1 proposing that these funds be used for special services to
2 local school districts, enabling them to strengthen their
3 instruction program in these three areas, and the special
4 services would be such as service teacher training programs,
5 as would be requested by local districts, workshops, develop-
6 ment of instructional materials needed for carrying on of
7 the instructional program; and in brief, most of this money
8 that would be made available would be used again at the local
9 school district level, with a minimum amount of it being at
10 the State level.

11 Now, here in part 3 of Title III, the second part,
12 there is a matching requirement of dollar for dollar. Other-
13 wise, if we got the maximum amount, then there would be a
14 matching requirement of \$362,000 for the State of California.
15 Now, some of that matching requirement can be met by exist-
16 ing services, existing costs of certain personnel in the
17 State of California, but there will be a need for additional
18 funds, and our estimate at the present time would be that it
19 would be approximately two hundred fifty to three hundred
20 thousand dollars for this provision of Title III.

21 Now, this is the only provision that we will re-
22 quire new money on. The total act would make available
23 to California for these four titles approximately five mil-
24 lion dollars a year, and as we interpret the legislation
25 now and as we have worked with Washington on their interpre-
26 tations, the only new money required for California would

1 be this figure, as far as the State is concerned, that I
2 have referred to, approximately two hundred fifty to three
3 hundred thousand dollars, with a total amount under these
4 four titles of five million dollars available each year.

5 Now, if we were to think of all of the titles,
6 the entire nine titles that have programs, and this is an
7 estimate, this would be the student loan provision, this
8 would be the fellowship program under Title IV, this would
9 be Title V (d), VI (b), the institute for training of teach-
10 ers, and VII, the research in experimentation in radio, TV,
11 and motion pictures, and then the amount would go up consid-
12 erably. We go up to something like fifteen million dollars
13 a year that would be available to California under this pro-
14 vision, and again, the only matching amount required of the
15 State, as I see it now, is the amount I referred to earlier.

16 Now, Title V, a second title for which the State
17 has responsibility for administration, improvements of
18 guidance, counseling and testing, provides a maximum of a
19 million and ninety-nine thousand dollars to California.
20 This is divided into two parts. One part of Title V is
21 for a testing program, the main purpose is to identify the
22 abler students throughout the State of California and encour-
23 age them to go into some of the specialized fields that are
24 referred to in the Act. However, you cannot develop a
25 testing program for the abler student or strengthen your
26 guidance and counseling program for them without strengthen-

1 ing your total guidance, counseling and testing program and
2 thereby strengthen your total program of education for all
3 youth throughout the State of California.

4 The second part is the counseling and guidance
5 phase of the program. As you would review our present
6 draft of our State plan, I think you would find that em-
7 phasis is placed on the counseling and guidance aspect of
8 the program, that it was felt by our advisory committee and
9 those we worked with throughout the State, if we are going
10 to make effective use of this money and really strengthen
11 our program, then we needed to emphasize the guidance and
12 counseling phase of it.

13 Now, I am going to skip Title VIII just a moment
14 and refer to Title X which provides for a maximum of fifty
15 thousand dollars for the State of California for the improve-
16 ment of the statistical services, the gathering of informa-
17 tion, reporting of it, recording of it, and disseminating
18 of information with reference to education throughout Cali-
19 fornia. Washington is interested in this, because they
20 are aware of the need for more accurate information, better
21 information at a National level, and so this money is made
22 available to the State to help them achieve their objective,
23 and in turn will enable us in California to achieve our ob-
24 jective.

25 Now, Title VIII, vocational education, I would
26 like to have permission, Mr. Chairman, to invite Mr. Wesley

1 Smith to join me here at the table and make some brief com-
2 ments with reference to Title VIII.

3 CHAIRMAN CRAWFORD: Fine. Just a moment. I
4 have two questions I would like to ask you.

5 First, do you know whether an answer was received
6 to this letter dated September 12th, 1958, addressed to the
7 Attorney General and signed by Dr. Simpson?

8 MR. SULLIVAN: A written response has not been
9 received.

10 CHAIRMAN CRAWFORD: Thank you.

11 MR. RICHARD MAYERS: Pardon me, if I may inter-
12 rupt. A written reply was received.

13 MR. SULLIVAN: I'm sorry. Then I did not have
14 the information.

15 CHAIRMAN CRAWFORD: We'll have no more inter-
16 ruptions.

17 Secondly, I understand there are matching funds
18 that are required under Title VIII?

19 MR. SULLIVAN: There is a matching fund require-
20 ment. However, as the requirement is defined for us in
21 California, we may use, and when Mr. Smith reports to you,
22 he can give you more accurate information than I can, but
23 we may use existing expenditures in the State of California
24 for programs that are of this nature, that we are already
25 using. The local school districts are spending money in
26 programs for technical education, so that we do not see that

1 there will be, in the first place, there will be no need
2 for State money under Title VIII. It would be only local.
3 When I say "State money", I mean direct State appropriation
4 for the Department of Education. It refers to matching
5 by local school districts, for any moneys that they might
6 receive, but existing expenditures in this area, that come
7 within the provisions of this Act throughout the State of
8 California at the State or local level may be used for
9 matching purposes, so what I am saying is, although there
10 is a matching requirement, as it is interpreted, there will
11 be no need for additional moneys to provide that matching
12 requirement, that existing moneys can be used for matching
13 purposes.

14 CHAIRMAN CRAWFORD: Now, is it my understanding
15 also it is necessary for matching funds under Title III?

16 MR. SULLIVAN: Under Title III, that's right.

17 CHAIRMAN CRAWFORD: To what extent has the credit
18 of the State been pledged with regards to this?

19 MR. SULLIVAN: It has not been pledged at all
20 as of this date for Title III. Just to summarize again,
21 the status of the State plans for Title III and Title V are
22 to be presented to the State Board this afternoon.

23 CHAIRMAN CRAWFORD: Are there questions from
24 members of the Committee?

25 ASSEMBLYMAN HEGLAND: I have one, Mr. Crawford?

26 CHAIRMAN CRAWFORD: Mr. Hegland.

1 ASSEMBLYMAN HEGLAND: What is required totally
2 from California in matching moneys? Not just from the
3 State level? Approximately? You said about three hun-
4 dred thousand, I think, from the State level? How much if
5 you count local level and private repayments of these loans?

6 MR. SULLIVAN: Well, let me see if I can summar-
7 ize, because its not quite -- I'm not sure I can put it into
8 one figure. In Title II, which is the student loan program,
9 there is a maximum made available to the State of California
10 of approximately five million four hundred thousand, I be-
11 lieve. No; I'm wrong. Under Title II, the maximum amount
12 available for institutions of higher education, now, this
13 would include our private institutions, Stanford, USC,
14 University of California, Junior Colleges and State Colleges
15 and so forth, there is a total available of four million
16 five hundred twenty-five thousand nine hundred and fifty-
17 three dollars. Now, in order to bring to California
18 the maximum funds, then the State has to match one-ninth
19 of that amount. When I said the "State", I mean the
20 institutions, and the institutions negotiate with Washing-
21 ton for funds in the amount of, let's say, a hundred thous-
22 and dollars. Then that institution, if it were Stanford,
23 the University of California, they then would have to pro-
24 vide matching in the amount of one-ninth of the total. So
25 that is one provision. That is Title II. How much
26 that would be would be dependent on what the total amount

1 requested by all of the institutions throughout the State of
2 California are, both private and public.

3 Now, under Title III, I indicated the maximum
4 amount would be approximately two hundred fifty to three
5 hundred thousand dollars.

6 Under Title V, again although there is a matching
7 requirement under Title V, and that is a million one hundred
8 thousand dollars, maximum for California, although there is
9 a matching requirement, again it is similar to Title VIII
10 for matching purposes under Title V. We may use State
11 and/or local funds for existing programs that would come
12 under the provisions of this Title, hence, there is no need
13 for new money under Title V. We can match Federal money
14 with money we are presently spending under Title V, so there
15 is no need for new money under Title V.

16 Under Title VI, again, there an institution-US
17 Commissioner relationship would exist, so the money involved
18 would be a matter -- well, Title V -- Title VI is a direct
19 grant anyway, and Title IV, that is a matter of fellowships.
20 It is a direct grant to both the institution and to the fel-
21 lows.

22 Title VII is a direct grant for research and
23 experimentation in radio, TV and motion pictures.

24 Title VIII we have referred to. The maximum
25 amount, I believe, under Title VIII is six hundred eighty-
26 two thousand a year, but even though there is a matching

1 requirement we see no need for any new money under Title
2 VIII.

3 Title IX is a direct grant to the National Science
4 Foundation. We have no responsibility for it.

5 Title X is fifty thousand for California for im-
6 provement of statistical services throughout the State.

7 So to summarize, I see this: I see as a maximum
8 for the State of California two hundred fifty to three hundred
9 thousand dollars, or for the State Department of Education,
10 two hundred fifty to three hundred thousand dollars. For
11 the local school districts, the only matching requirement
12 will be that for the purchase of equipment, and that could be
13 for the total amount of Federal money available, three million
14 plus, so if the total amount of Federal money is used, then
15 it would mean the local school districts from their budgets
16 would allocate three million dollars in order to use this
17 Federal money.

18 Does that answer your question, Mr. Hegland?

19 ASSEMBLYMAN HEGLAND: Yes. Thank you.

20 CHAIRMAN CRAWFORD: Mr. Kelly?

21 ASSEMBLYMAN KELLY: No.

22 CHAIRMAN CRAWFORD: Mr. House?

23 ASSEMBLYMAN HOUSE: No.

24 CHAIRMAN CRAWFORD: I have one question: What
25 about Title II?

26 MR. SULLIVAN: Title II is the student loan

1 program. That provides four million -- well, now, Title
2 II, may I make this comment with reference to Title II, and
3 I assume you are raising the question of Title II with refer-
4 ence to any matching requirement. Title II, with reference
5 to the State Colleges, may provide need for matching funds,
6 and we have some estimates on that that I can refer to you
7 now. It is a lone provision. Institutions make applica-
8 tion to the United States Commissioner of Education for "X"
9 number of dollars to be used for loan purposes to students.
10 Incidentally, there is a provision in Title II, if I may take
11 just a moment, a forgiveness clause for incentive to young
12 people to go into teaching, and anyone who borrows, a student
13 can borrow up to a maximum of \$1,000 a year for five years, or
14 a maximum amount of \$5,000 as a maximum. They do not re-
15 pay any money until the first -- or there is no interest on
16 the loan until one year after they have finished the program,
17 and they have to be in full time school in order to get this
18 money, and then they have ten years to repay, but anyone who
19 is preparing for teaching and goes into teaching may have
20 one-tenth of the loan forgiven for each of five years they
21 teach, so that a person going into teaching could have fifty
22 percent of the five thousand dollar loan forgiven and would
23 actually owe twenty-five hundred dollars. Now, the money
24 is made available through contract between the institution,
25 individual institution and the United States Commissioner
26 of Education. The institution has to make a one-ninth

1 contribution. Now, with reference to the State Colleges,
2 if the State problem now is where would the State Colleges
3 be able to get the funds to provide the one-ninth contribu-
4 tion, there are some real problems there. Certain of their
5 loan funds now would not be eligible to be used for that pur-
6 pose. So the estimate is with reference to the use of the
7 funds that the State Colleges have indicated they would need
8 to meet student demand would be approximately \$15,000 this
9 year, just for the rest of this year, to participate in the
10 program in the spring and in the summer session of 1959, and
11 then for each of the years thereafter, approximately \$75,000
12 for the student loan program. That is Title II.

13 CHAIRMAN CRAWFORD: Thank you. Mr. Marshall,
14 you have a question?

15 MR. JAMES MARSHALL: Has the State Department
16 done anything on this Title II yet, State Department of
17 Education?

18 MR. SULLIVAN: The State Department of Education
19 has done nothing, Mr. Marshall, on Title II other than to
20 become informed about the provision, to discuss it in meeting
21 with State College Presidents and personnel, and with the
22 Junior College people. Actually, Title II, the State has
23 no overall responsibility for administration, so the answer
24 to your question is only in terms of information. We have
25 not taken any action in setting up any statewide program of
26 any kind, no.

1 MR. MARSHALL: The State Department does, however,
2 have the responsibility so far as the State Colleges are con-
3 cerned?

4 MR. SULLIVAN: Right. That is exactly right.

5 MR. MARSHALL: Under Title VI, doesn't this in-
6 dicate also the State Department under part (b) of Title
7 VI, have a responsibility to set up these foreign language
8 centers, and won't this cost the State money?

9 MR. SULLIVAN: No. May I refer to both par
10 (b) of V and part (b) of VI, because they are the same.
11 Part (b) of V, for members of the Committee, provides an
12 institute for training. Really it is in-service training
13 of guidance and counseling personnel. Title VI, part
14 (b) is the same, an institute for training of teachers
15 in the language field. These again are direct contracts
16 between institutions of higher education and the United
17 States Commissioner of Education. Funds are made avail-
18 able in direct grants, with no matching requirements of the
19 institution. George Pettitt is here from the University
20 of California, working in cooperation with the local school
21 districts in the bay area, and working in cooperation with
22 the State Department of Education, the State having no
23 financial obligation, merely to make sure that an institute
24 for the training of teachers is coordinated with and ties
25 in with and supports the teaching program and languages and
26 in the counseling and guidance programs, and they enter into

1 a contract with the United States Office of Education to
2 hold an institute at the University of California for a
3 period of six weeks this summer. The University of Cali-
4 fornia submits to Washington their proposal, their plan, and
5 the full costs, and that would include equipment and person-
6 nel, and approximately 15 percent, I believe, for overhead
7 expenditures and so on, and so they submit the full cost
8 of the project to Washington. If the project is approved,
9 these institutions pay the full cost. The State has no
10 obligation. The only thing the State has an obligation
11 for is that the United States Office will come back to the
12 State Department, if the University of California should
13 submit a proposal, and ask the State Department to advise
14 them as to whether or not this proposal of the University
15 of California was going to contribute to the guidance and
16 counseling program as developed under the first part of
17 Title (a) or language instruction program developed under
18 Title III, so we have no financial obligation, Mr. Marshall,
19 under Title V (b) or under Title VI(b).

20 MR. MARSHALL: Now, under Title VI (b), are you
21 telling us the State Colleges will not participate in these
22 classes for individuals and those who are engaged in or pre-
23 paring to engage in the teaching, supervising or training
24 of teachers of modern foreign languages in the elementary,
25 secondary schools?

26 MR. SULLIVAN: I am not saying they won't. I

1 am saying if they do, there will be no financial demand,
2 because that will be paid, the full cost will be paid from
3 an agreement, or through an agreement or by an agreement
4 that will be drawn between the State College and the United
5 States Office of Education. Now, these agreements, as you
6 know, go through the State Department, the Department of
7 Finance and so forth, but there will be no additional finan-
8 cial obligation of the State or of the State Colleges for
9 this program. The full costs are paid from the Federal
10 funds in the hands of the United States Commissioner of
11 Education.

12 MR. MARSHALL: But what you are saying is that
13 the State Department of Education, then, will contract with
14 the Federal Government and lend the credit of the State, that
15 they are going to do something, and then they will get the
16 money back?

17 MR. SULLIVAN: Well, yes. Also the provision
18 of the act, the act itself indicates these moneys may be
19 given to the institution. In this case it would be the
20 University of California, or this case, to the State Depart-
21 ment, or State Colleges, in advance, so it isn't necessarily
22 always reimbursable. These moneys are made available in
23 advance for these programs also. But what I am saying is
24 that at least the intent of the legislation is that the full
25 costs for institutes under V (b) and VI (b) will be paid
26 from Federal funds with no matching requirements involved.

1 Further, there are Federal funds available for the payment
2 of subsistence allowances to those who participate in those
3 institutes and those are Federal funds also.

4 MR. MARSHALL: How much money has the State al-
5 ready received under this Federal Act?

6 MR. SULLIVAN: I believe one hundred seventy
7 thousand. Maybe its only eighty-five.

8 MR. SMITH: Eighty-five.

9 MR. SULLIVAN: Eighty-five thousand. That is
10 under Title VIII.

11 MR. MARSHALL: Do you have more money coming?

12 MR. SULLIVAN: The total appropriation under
13 Title VII is one hundred seventy thousand, and half of that
14 has actually been received by the State.

15 CHAIRMAN CRAWFORD: Are there any questions by
16 members of the Committee?

17 (There was no response.)

18 CHAIRMAN CRAWFORD: If not, we want to thank you
19 for appearing here, and Mr. Smith, I believe you were request-
20 ed by Mr. Sullivan to be the next witness and explain Title
21 VIII?

22 Identify yourself for the Reporter.

23 MR. WESLEY J. SMITH: Mr. Crawford, members
24 of the Committee: My name is Wesley Smith. I am Vocation-
25 al Director in the State Department of Education.

26 I have a short statement to make about Title VIII.

1 I don't exactly know what you want to know on this, and I
2 don't want to waste your time in details.

3 CHAIRMAN CRAWFORD: Why don't you continue with
4 your statement and we'll see if we have any questions?

5 MR. WESLEY J. SMITH: All right, sir. If you
6 will interrupt me along the line?

7 The statement which I have will be very brief, and
8 I'll attempt to give a little bit about the background of
9 Title VIII in the Act.

10 Some of the significant conclusions in the Act,
11 some of the policies that we have developed to date, some
12 of the progress we have made to date. I had a few of the
13 problems that we have, and note in general terms some of the
14 value that we think this has for the State of California.

15 As far as the background is concerned, since 1917
16 with the passage of the Smith-Hughes Act, we have had con-
17 tinuing Federal assistance for certain phases of vocational
18 education. Over the years there have been adjustments
19 in the kinds of programs that the Federal Government would
20 assist. Originally it was just agriculture and home econo-
21 mics and the trade program, and later on certain public ser-
22 vice occupations for training of nurses and training of
23 peace officers and training of firemen and so on were intro-
24 duced, and most recently, certain phases in business occupa-
25 tions. Then in 1957 the Congress of the United States
26 felt that there was a need to extend some of the provisions

1 of vocational education to areas not then adequately served,
2 and there was introduced what was called the Area of Voca-
3 tional Education Act. Well, about 1957 there were many
4 other kinds of problems before the Congress, and before that
5 act could be acted upon by Congress, there became a need for
6 other kinds of legislation, which resulted in this Act that
7 you are considering today, and so amended into the National
8 Defense Education Act of 1958 were certain provisions of the
9 Area Vocational Education Act, again for the purpose of ex-
10 tending some of the area of occupational education. So it
11 become Title VIII under this Act, known as the Area Vocational
12 Program, but specified only technical education.

13 May I indicate just a few significant inclusions.
14 It has already been indicated that approximately \$700,000
15 a year for at least the next three years will be available
16 to California under this Act, under this Title. That is
17 determined on some sort of a formula based on population.
18 Congress in its wisdom decided that the States could not use
19 all of the authorized amount in the initial year, and so
20 California's allocation for this year as Graham Sullivan
21 has indicated is approximately one hundred seventy thousand
22 dollars. Now, the intent of Congress was that this kind
23 of occupational education would be in a sense new. It would
24 be to give attention to those newly developing occupations
25 known as technicians or technical occupations, and was given
26 the name "Technical Education". What I am saying is that

1 it is definitely not a continuation of some of the trade
2 education, which we have been doing, preparation of machin-
3 ists and journeymen, electric wire men and so on, nor was
4 it for preparation of engineers in programs requiring four
5 years of preparation, but something new and different and
6 something some people have said is in between this area and
7 technicians.

8 Now, furthermore, because this is a National
9 Defense Education measure, it is very definitely specified
10 in Title VIII that these programs shall be for, and I quote
11 from the act, "Highly skilled technicians whose preparation
12 requires a solid basis of applied mathematics and science,
13 and furthermore, that it must be those technical occupations
14 which are defense connected". Now, there are many kinds
15 of technician occupations, but under the provisions of this
16 part of the act, they must be based on -- they must be high-
17 ly skilled technicians and based solely on applied mathema-
18 tics and science, and only in those occupations which serve
19 the national defense. It has been indicated there is
20 another ingredient, that they should be a hundred percent
21 matching. This is an ingredient which follows in the
22 pattern of all educational programs, a hundred percent match-
23 ing by local and/or State.

24 Another ingredient was that this part, and this is
25 a little confusing sometimes, this part of this act really
26 amended the George Barden Act of 1946, which is one of the

1 vocational education acts, becomes an amendment to that
2 act. A further ingredient was that this kind of a program
3 should be based upon post-high school education.

4 Now, our policies developed to date, as Mr. Sulli-
5 van has indicated, especially in vocational education, we
6 don't move without advisory committees, so we immediately
7 gathered around us a representative state-wide advisory
8 committee to take a look at the means and potentials in
9 California. Our advisory committee asked us to do a num-
10 ber of things in developing policies, and these have been
11 taken to the State and have been generally approved, approv-
12 ed without exception, that in developing policies, the money
13 we receive should be used for the local school districts
14 exclusively, at least in the first go around, and nothing
15 to add staff to the Department of Education, because I call
16 to your attention we have a staff in vocational education
17 and we could absorb this as another one of our responsibili-
18 ties. Our advice from our advisory committee was that our
19 cooperative school districts should participate financially
20 somehow in the program, and these should not be outright
21 grants without some financial assistance from the district
22 on the cooperative basis. They indicated the area of
23 planning should be given high priority, indicated that exist-
24 ing programs should not be jeopardized just because they had
25 been in operation for some time. They indicate that the
26 plan should permit wide experimentation in this field,

1 indicate it very definitely that this was not "business as
2 usual", but was intended to extend the horizons of this type
3 of preparation, indicated to us that technicians are found
4 not just in industrial areas, but also in business and in
5 agriculture, and they indicated to us that we should move
6 in the direction of forming a representative state-wide
7 advisory committee made up of business and industrial and
8 educational and public service people.

9 Our progress to date. As Mr. Sullivan has
10 indicated, we obtained approval for a plan as an amendment
11 to our existing plan on November 10th. Since that time we
12 have had two state-wide meetings of people who are going to
13 operate within this plan. We are developing policies as
14 we go along. I might comment on that a little later. We
15 are now receiving applications from districts. We have
16 applications from districts and we intend to consider for
17 the allocation of funds those plans that we have on hand on
18 January 5th. We have one state-wide study already in oper-
19 ation through a contract with the University of California,
20 having to do with the selection of students, selection pro-
21 cedures for technical education students. I should tell
22 you that we are actually in operation in this phase of the
23 program. We are working with the Department of Finance,
24 and we worked with the Controller, we are working with Mr.
25 Sullivan in coordinating this part of the act with other
26 phases of the act.

1 As far as the problems, they are many, but they
2 are routine. Many of them are routine. One of our dif-
3 ficult problems always in this kind of a set-up is to begin
4 in the middle of a year, middle of a school year to estab-
5 lish new programs. This is a continuing problem not
6 because of this legislation, but a continuing problem in
7 this field of technical education. It has to do with the
8 terrific need for equipment. The equipment in training
9 technicians is extremely expensive, and this is a very dif-
10 ficult problem for school districts. We have a problem
11 in the area of obtaining qualified instructors. Some of
12 these technical occupations have not been firmed up suffi-
13 ciently sometimes so that we can find people with enough
14 experience to become teachers of other technicians. We have
15 the problem of developing, as I indicated a minute ago, the
16 standards for this phase of the program as the program goes
17 on. It is something like determining the rules of the game
18 while the game is being played. Now, that is both danger-
19 ous and it also has its advantages. We felt that it has
20 more advantages than danger for the reason we couldn't begin
21 to anticipate all the rules and all the policies that are
22 necessary in such an unfirm program as this, and therefore,
23 with the advice of the people in the state we decided to
24 attempt to develop policies as the program goes on during
25 the next six months, during the pilot part of the program.

26 We have a problem, and I think it comes from the

1 statement Mr. Sullivan read to you; the Congress decided
2 in its wisdom not to restrict the states, not to unduly
3 influence the states, recognizing states rights and then
4 we in turn, the Department recognizing local district res-
5 ponsibilities to determine their own needs. Its one thing
6 to have handed down to you all the rules and regulations and
7 all of the forms and all of the "what you can do and what
8 you can't do". You can find handholds in that kind of
9 a program, but when you're given large generalized statements
10 of things you can do and you have to construct your own pro-
11 gram and your own rules and your own specifications, it be-
12 comes quite a challenge, and that is one of our problems
13 because usually we develop all the rules and regulations
14 before the school districts start in participating, but in
15 this instance, we are permitting the school districts to
16 develop in their judgment their own rules and regulations
17 to meet their own needs, and then as we get a pattern, then
18 we will develop statewide these rules.

19 Now, I conclude here with an observation regarding
20 my own feeling, and I think it is shared by all that I have
21 talked to, the value of this program to California. I don't
22 have to recite the impact and the importance of what we call
23 "light industry" in California, and refer by "light industry"
24 to GMC, Westinghouse, and Aerojet, Lockheed, and all the
25 people in manufacturing, General Electric, and the atomic
26 energy developments and so on and so forth. I should call

1 to your attention, though, and I know you know this, that
2 the technician, whatever definition that may take, is the
3 key person in the teams that operate these kinds of light
4 industry. There is a great variation from industry to
5 industry, from employer to employer, from area to area, in
6 what constitutes a technician.

7 Now, we have had technician training programs,
8 in California for the last 15 years. Probably some of
9 the outstanding technician training programs in the entire
10 United States are found in California, but they vary. We
11 feel these funds and this emphasis will provide us with an
12 opportunity to fine some threads of uniformity, not complete
13 uniformity, but some threads of uniformity up and down the
14 State in this program to firm up some of these occupational
15 classifications from industry to industry and from employer
16 to employer, and also, most significant for us, one you firm
17 up the occupational standards, it also makes it possible for
18 us to firm up training programs. It has been most diffi-
19 cult for us to provide the curriculum necessary to train the
20 technician occupation when industry itself has been unsure
21 and it has been evolving so fast, so we feel that this will
22 assist us in that. This has been a big program.

23 I can give you specific examples of some of the
24 kinds of things local districts are thinking about and
25 examples of kinds of applications that we now have before
26 us if you would like to have them, but I think I have taken

1 all of the time that I should and that you won't want me to
2 do that now.

3 CHAIRMAN CRAWFORD: Mr. Smith, I was interested
4 in your statement that Title VIII requires 100 percent
5 matching funds by local and/or state?

6 MR. SMITH: Yes.

7 CHAIRMAN CRAWFORD: Now, in your agreements or
8 contracts to receive these funds, which is it, local and/or
9 state, that is responsible for providing these funds? Whose
10 credit has been pledged?

11 MR. SMITH: Following the policy I advocated a
12 few minutes ago, that all of the money available to us shall
13 go to the local districts insofar as possible, then it would
14 be an obligation on the part of us to show local districts
15 how to meet that matching requirement.

16 CHAIRMAN CRAWFORD: You have stated "we have
17 received funds"?

18 MR. SMITH: Yes, sir.

19 CHAIRMAN CRAWFORD: Were those matched by local
20 or state?

21 MR. SMITH: No, sir. We received the money
22 on the basis they will be matched in the implementation of
23 the program. We receive applications from individual dis-
24 tricts, and the application for individual districts will
25 indicate the extent of their matching, and so when the money
26 is pledged along to the districts, then the districts have

1 already determined for us their matching ability.

2 Now, I know it is very difficult to understand
3 this, and I don't think I can explain other than maybe give
4 you some examples.

5 CHAIRMAN CRAWFORD: Well, we have received money.
6 Where is that money at the present time?

7 MR. SMITH: It is in the State -- the State
8 Treasurer has it.

9 CHAIRMAN CRAWFORD: Who has control?

10 MR. SMITH: The State Board for Vocational Educa-
11 tion has control of its distribution. The Controller, of
12 course, has responsibility.

13 CHAIRMAN CRAWFORD: Then the State's credit has
14 been pledged there will be matching funds?

15 MR. SMITH: I don't know what your reference
16 point is. I imagine that you are right, but I don't -- I
17 can't say.

18 CHAIRMAN CRAWFORD: Has any State money been
19 pledged, any money at all?

20 MR. SMITH: To my knowledge, no State money.

21 CHAIRMAN CRAWFORD: Has any money been distri-
22 buted yet?

23 MR. SMITH: No, sir. But that's going to
24 happen very shortly. I have told you that we are under
25 operation, and when we receive these applications, these
26 districts are going to want money.

1 CHAIRMAN CRAWFORD: Then am I correct in assum-
2 ing from your testimony that there is not going to be any
3 State moneys whatsoever used to match these funds under Title
4 VIII?

5 MR. SMITH: There will be no new State money used
6 to match these funds during this fiscal year, to my knowledge.

7 CHAIRMAN CRAWFORD: Well, let's stop right there.
8 You say "new funds?"

9 MR. SMITH: Yes, sir.

10 CHAIRMAN CRAWFORD: Now, I assume that you are
11 referring to old funds?

12 MR. SMITH: Yes, sir.

13 CHAIRMAN CRAWFORD: Now, what do you mean by
14 "old funds"?

15 MR. SMITH: We devoted quite a little time to
16 this ourselves, I imagine maybe ten percent of my time for
17 the last two months has been devoted to birdogging this
18 operation. We are making no charge for that to these
19 funds, but it certainly is a channeling of some of the exist-
20 ing responsibilities, if you could call it that, for this.
21 That is what I mean by "no new funds". We are using our
22 existing staff for the administration of this program, staff
23 that is financed half out of State and half out of Federal
24 now. Have I confused you further?

25 CHAIRMAN CRAWFORD: When you speak of "new" or
26 "old funds", you are merely saying that the cost of the

1 administration of the program so far is being borne by the
2 State?

3 MR. SMITH: Yes, sir.

4 CHAIRMAN CRAWFORD: From funds that have already
5 been allocated by the Legislature to the State Department?

6 MR. SMITH: Yes, sir.

7 CHAIRMAN CRAWFORD: But that no funds are going
8 to be used, no State funds were to be used or expended as
9 matching funds for Federal funds that have been provided?

10 MR. SMITH: To my knowledge, no. Now, that is
11 during this fiscal year. I don't know what is going to
12 happen next year.

13 CHAIRMAN CRAWFORD: Are there questions by mem-
14 bers of the Committee? Mr. House?

15 ASSEMBLYMAN HOUSE: Well, you haven't had to put
16 on any new employees as a result of this?

17 MR. SMITH: No, sir.

18 ASSEMBLYMAN HOUSE: No extra help?

19 MR. SMITH: We have an existing staff, and we just
20 dropped this into their laps. I should say, gentlemen,
21 this is a kind of a continuing operation with vocational
22 education. I say it started since 1917, but just three
23 or four years ago Congress again in its wisdom said "we
24 have to do something to increase the preparation of practical
25 nurses over the United States", so we have quite a program in
26 California for vocational nurses, practically all the voca-

1 tional nurses are prepared in reimbursed programs in voca-
2 tional nursing, so a few years ago when Congress gave that
3 money, we took that money and we have distributed that money
4 to the State. We do the same for other kinds of money
5 that comes from Congress for the purpose of vocational edu-
6 cation in an existing pattern.

7 CHAIRMAN CRAWFORD: Mr. Kelly has a question?

8 ASSEMBLYMAN KELLY: I was going to ask Mr. Smith
9 under Title VIII you can continue more or less under exist-
10 ing code functions the vocational education program that you
11 have been following prior to Title VIII, can't you?

12 MR. SMITH: We have felt that, Mr. Kelly, and
13 just recently these other questions, whether we have the
14 right to do that, it hasn't been questioned in the past
15 because we have these existing sections in what we felt
16 would be continuing authorization to cooperate with the
17 Federal Government for vocational education, so we did not
18 seek new legislation. Of course, we didn't even know about
19 this before, if we need it, and I found something in our
20 Education Code that might bother us a little bit because it
21 makes reference to this vocational education act amended in
22 1946. Now, what we haven't done is indicate in there,
23 also amended in 1956, also amended in 1958, but we felt that
24 we have had authorization in all of these things all along
25 the line, and if we're wrong, we sure would like to get
26 bailed out in a hurry on this.

1 CHAIRMAN CRAWFORD: Mr. Hegland?

2 ASSEMBLYMAN HEGLAND: Forgetting about just the
3 administration, I mean, what the staff does, if I understand
4 it, if a hundred thousand dollars goes into vocational train-
5 ing in California, somebody matches this hundred thousand
6 dollars?

7 MR. SMITH: Yes, sir.

8 ASSEMBLYMAN HEGLAND: And we match this, I as-
9 sume in the interest of the spirit of the Act, in terms of
10 new programs for new money? Forgetting about the adminis-
11 tration?

12 MR. SMITH: Improvements, extensions, yes, sir.
13 Yes, sir.

14 ASSEMBLYMAN HEGLAND: All right. In other
15 words, Congress would be foolish to let us count an existing
16 auto mechanics class to match something they are going to pay
17 for. All right. Now, did the State of California, your
18 Department, contemplate using any State money to match any
19 part of this hundred thousand dollars?

20 MR. SMITH: Of the hundred thousand going to the
21 local districts?

22 ASSEMBLYMAN HEGLAND: All right. Let's assume
23 that we just get a hundred thousand in the State?

24 MR. SMITH: Yes, sir.

25 ASSEMBLYMAN HEGLAND: Now, I'm not talking about
26 the administration or the cost of distributing the hundred

1 thousand?

2 MR. SMITH: Yes, sir.

3 ASSEMBLYMAN HEGLAND: Does every dollar of this
4 hundred thousand go to local districts?

5 MR. SMITH: That is our policy for this year.

6 ASSEMBLYMAN HEGLAND: All right. And every
7 dollar of this is matched by each of the local districts in
8 exact amounts to which they receive the funds?

9 MR. SMITH: No, sir. The requirement for
10 matching is a general statewide matching, and so one dis-
11 trict, it is possible to reimburse, or one district to pay
12 a district's one hundred percent of its costs of such a pro-
13 gram, provided you pick it up someplace along the line.

14 ASSEMBLYMAN HEGLAND: You mean other districts
15 might put up twice as much?

16 MR. SMITH: Overmatching, yes.

17 ASSEMBLYMAN HEGLAND: Why?

18 MR. SMITH: Well, I think we'll have to look at
19 the program --

20 ASSEMBLYMAN HEGLAND: Well, is this too time
21 consuming?

22 CHAIRMAN CRAWFORD: No; go ahead.

23 ASSEMBLYMAN HOUSE: That is a very good point.
24 That's what I was going to ask.

25 MR. SMITH: May I say, the City College in San
26 Francisco, I believe its called, has for years operated a

1 splendid program of technical education. Now, we have in-
2 dicated earlier here by advice of our advisory committee,
3 and this is something that we worked very heavily on with
4 the United States Office of Education, we think it extremely
5 unfair that a State such as California that has taken leader-
6 ship in developing programs should be jeopardized with some
7 of these funds in the use of the funds, just because we have
8 taken the leadership and are operating programs where some
9 other state which hasn't taken the head start, from scratch
10 they get all the money, we don't get any because we have no
11 existing programs. Then, in San Francisco, we have some
12 very solid programs that met all of the requirements here,
13 but we have not been reimbursing them, shall we say, and I
14 realize this may be a bookkeeping, a paper work kind of deal,
15 but we can say to the Federal Government that for money that
16 we put into San Francisco for this specialized project of
17 improvement or whatever it is, then we can say we use for
18 matching purposes the amount of money that they are now put-
19 ting in their program which they have been putting into their
20 program all along the line. Now, that could be a fifty
21 to one matching in San Francisco.

22 ASSEMBLYMAN HEGLAND: Then I misunderstood you
23 before. The intent of Congress, I assume, would be that
24 if they spend a dollar, they get two dollars worth of new
25 education, so we are in effect then using existing programs,
26 which we didn't need incentive to develop, to match, to make
ourselves eligible for this free money from the Federal

1 Government; is this correct? Is this how we get our
2 general overmatching?

3 MR. SMITH: I would say it is more correct than
4 uncorrect, yes, sir. For this year, at least.

5 ASSEMBLYMAN HEGLAND: All right; so --

6 MR. SMITH: May I say why I say "this year at
7 least"? We have \$170,000, that can be spent for this pur-
8 pose, used by local school districts. Budgets for local
9 school districts were decided, I don't know, March or April
10 last year, so they can't find any new money to start some-
11 thing new this year. Well, we can come in there and I can
12 give you examples of what can be done, and using some of
13 the money that they have put into the program before, as
14 far as the Federal Government is concerned, is perfectly
15 all right, and we don't think its wrong.

16 ASSEMBLYMAN HEGLAND: All right. Well, thank
17 you. I have no other questions. However, I do think
18 this is sort of an odd way of getting State equalization.
19 Perhaps the intent is good, George, but it seems to me a
20 little odd that we use money from one school district, al-
21 though it is in theory on a par with the broad theory of
22 equalization in order to make another school district elig-
23 ible for funds and I think if I were a Congressman, I would
24 question whether or not -- I wouldn't have voted for this
25 bill, but if I would have, I would have wanted two dollars
26 of new education instead of what we have.

1 MR. SMITH: May I respond briefly to that,
2 because I would think that way too, and I would say general-
3 ly Congress gets more than two dollars. They get ten dol-
4 lars more, because when they get one of these programs start-
5 ed locally, the local district, if there is a real need for
6 it, they pick it up and go on. In any of our experience
7 in vocational education, our matching now is about an over-
8 matching of about fifteen to one, and that doesn't even in-
9 clude the equipment or capital outlay, so they are getting
10 more than their money's worth on these kind of things.

11 CHAIRMAN CRAWFORD: Mr. House?

12 ASSEMBLYMAN HOUSE: No.

13 CHAIRMAN CRAWFORD: Thank you very much, Mr.
14 Smith.

15 MR. SMITH: Thank you. By the way, if any of
16 you would be interested, I know this is only a small part,
17 but it is a very selfish part here that we have in this
18 Title VIII. We have put out, tried to get away from all
19 of the legal kind of language in the act, and we have here
20 a statement going out to the local school districts. This
21 is called "the basic provisions of the Act and how to quali-
22 fy for assistance", and this has gone to all the school
23 districts. I would be pleased to share this with the
24 members of the Committee if you would like to have it for
25 your own constituents or anyone you would like to have it
26 for.

1 CHAIRMAN CRAWFORD: Thank you. The next witness
2 will be Mr. Kearney.

3 MR. LAURENCE D. KEARNEY: Do you wish me sworn,
4 sir?

5 CHAIRMAN CRAWFORD: Yes; I think we might as
6 well.

7 (Laurence D. Kearney was thereupon sworn by the
8 Chairman.)

9 MR. LAURENCE D. KEARNEY: Laurence D. Kearney,
10 L-A-U-R-E-N-C-E, middle initial D, K-E-A-R-N-E-Y.

11 CHAIRMAN CRAWFORD: Mr. Kearney, are you familiar
12 with the letter of September 12, 1958, directed to the
13 Attorney General, subject matter, "The National Defense
14 Education Act of 1958", signed by Dr. Roy E. Simpson?

15 MR. KEARNEY: By Charles Boby, is it?

16 CHAIRMAN CRAWFORD: By Charles H. Boby, Assistant
17 Counsel?

18 MR. KEARNEY: Yes, sir. I am familiar with it.

19 CHAIRMAN CRAWFORD: To your knowledge, has a
20 written answer been received?

21 MR. KEARNEY: To my knowledge, a written answer
22 has not been received to that, but may I explain that answer?

23 CHAIRMAN CRAWFORD: Certainly.

24 MR. KEARNEY: On about October 10th, approximate-
25 ly a month following, there was a conference on some other
26 matters involving the Attorney General's Office and our

1 Department, and at that time we discussed this problem re-
2 motely. Mr. Mayers suggested that inasmuch as in his
3 opinion there was no legal problem involved in the State's
4 authority to participate in this program, that a written
5 opinion would not be required, and consequently, about two
6 days later I wrote to him and said that in view of this dis-
7 cussion that we would not require a written reply to that.
8 I believe that is what Mr. Mayers referred to a few moments
9 ago when he spoke.

10 CHAIRMAN CRAWFORD: Do you have a copy of this
11 approximately October 12th letter with you?

12 MR. KEARNEY: I do not have one, sir.

13 CHAIRMAN CRAWFORD: Will you secure a copy for
14 us?

15 MR. KEARNEY: Yes.

16 CHAIRMAN CRAWFORD: Did you receive an answer
17 to his second letter?

18 MR. KEARNEY: No. I did not intend it to re-
19 quire an answer.

20 CHAIRMAN CRAWFORD: Was there any acknowledge-
21 ment at all from this first letter of September 12th receiv-
22 ed, written acknowledgement?

23 MR. KEARNEY: Not to my recollection or knowledge.

24 CHAIRMAN CRAWFORD: Thank you.

25 Can you tell us if Title II applies to Junior
26 College Districts?

1 MR. KEARNEY: I'm very --

2 CHAIRMAN CRAWFORD: For the benefit of the
3 Committee, I might point out that Mr. Kearney is the legal
4 advisor and administrative advisor also.

5 MR. KEARNEY: Well, my title is Administrative
6 Advisor.

7 CHAIRMAN CRAWFORD: But you are more or less legal
8 advisor?

9 MR. KEARNEY: Yes; that's correct. I am an
10 attorney.

11 CHAIRMAN CRAWFORD: Thank you. So he is quali-
12 fied for answering these questions. Does Title II apply
13 to Junior College Districts?

14 MR. KEARNEY: I'm sorry to tell this Committee
15 that I had not planned to attend this meeting. I was call-
16 ed here on no notice, and I worked rather remotely in this,
17 on this program, and I am not prepared to provide a detailed
18 analysis of this Act.

19 CHAIRMAN CRAWFORD: Was this the first indica-
20 tion that you had that we desired your attendance at this
21 meeting today?

22 MR. KEARNEY: No; it is not.

23 CHAIRMAN CRAWFORD: When were you previously
24 advised?

25 MR. KEARNEY: I can't recall whether it was
26 yesterday or this morning that Mr. Sullivan told me you

1 wished me here.

2 CHAIRMAN CRAWFORD: I presume that you have dis-
3 cussed the various questions on Federal aid to education
4 contained within this Act, have you not?

5 MR. KEARNEY: I have done practically no work
6 on it personally.

7 CHAIRMAN CRAWFORD: Whom did the Department turn
8 to for legal advice?

9 MR. KEARNEY: There have been some discussions
10 between Mr. Sullivan and one of my associates, Mr. Boby,
11 who is presently ill with influenza, and I have discussed
12 this in most general terms only. I have not worked on
13 this program.

14 CHAIRMAN CRAWFORD: You are not familiar with the
15 program at all, then? As to the legal aspects of the
16 various Titles?

17 MR. KEARNEY: No. I received a copy of the plan
18 for Title III this morning. I haven't even had a chance
19 to read it. I did not participate in the preparation.

20 CHAIRMAN CRAWFORD: Well, to hasten this, if you
21 don't know the answer, if you will just indicate that we will
22 go along to the next question.

23 MR. KEARNEY: All right. I do not -- may I --
24 yes?

25 CHAIRMAN CRAWFORD: Does Title II apply to Junior
26 College Districts?

1 MR. KEARNEY: I am unable to answer. I do not
2 know.

3 CHAIRMAN CRAWFORD: Does Title II apply to State
4 Colleges?

5 MR. KEARNEY: I do not know.

6 CHAIRMAN CRAWFORD: Under Title III, providing
7 payments to State educational agencies, where is the author-
8 ity which authorizes the State educational agency, as that
9 term is defined in the Federal Act, to submit such a plan?

10 MR. KEARNEY: Well, the existing provisions of
11 the Education Code are rather broad with respect to parti-
12 cipating in Federal programs. I believe it is Section
13 9176 that I have in mind. I think perhaps the Joint
14 Powers Act, which is Government Code Section 6500 and fol-
15 lowing, might be applicable in the absence of more specific
16 authority.

17 CHAIRMAN CRAWFORD: Miss Calais, do you agree
18 with this last statement by Mr. Kearney?

19 MISS BARBARA CALAIS: I don't know on the Joint
20 Powers Act. I wouldn't know on that one. Under 9176,
21 I'm just looking at it now, I don't know as I would be pre-
22 pared to give an answer until I had a chance to --

23 MR. KEARNEY: Mr. Chairman, may I explain --

24 CHAIRMAN CRAWFORD: Miss Calais, are you aware
25 of any existing legislation which authorizes the State
26 Educational Agency as that term is defined in the Federal

1 Act to submit such a plan?

2 MISS CALAIS: No; I am not.

3 CHAIRMAN CRAWFORD: Have you researched this
4 question?

5 MISS CALAIS: Our office?

6 CHAIRMAN CRAWFORD: Or rather, your office? Has
7 your office researched this question?

8 MISS CALAIS: Our office researched the question
9 recently, November 3rd, and concluded there was not present
10 legislation that authorized the State to enter these plans.

11 CHAIRMAN CRAWFORD: Thank you. Mr. Kearney,
12 under Title V, which is a testing program provision of the
13 act, what is the authority for the "Educational Agency",
14 as the term is defined in the Federal Act, to submit such a
15 plan?

16 MR. KEARNEY: I refer again to Section 9176 of
17 the Educational Code and to the Joint Powers Act.

18 CHAIRMAN CRAWFORD: Under Title VI, in which part
19 (a) is for the establishment of foreign language centers,
20 what is the authority for sharing with the Federal Govern-
21 ment one-half the cost of such centers?

22 MR. KEARNEY: I must refer to those same sections
23 again.

24 CHAIRMAN CRAWFORD: Are you familiar with
25 Section 20254?

26 MR. KEARNEY: Of what, sir?

1 CHAIRMAN CRAWFORD: Education Code? Is it
2 Government Code or Education? Education Code?

3 MR. KEARNEY: Well, not by number.

4 CHAIRMAN CRAWFORD: Do you have it before you,
5 Miss Calais?

6 MISS CALAIS: Yes; I do.

7 CHAIRMAN CRAWFORD: Could you read it to Mr.
8 Kearney?

9 MISS CALAIS: 20254 "The Director of Education
10 may enter into agreements with the agencies of the Federal
11 Government, County Superintendents of Schools, County Boards
12 of Education, any School District, any State College Founda-
13 tions or other auxiliary organizations, including those es-
14 tablished pursuant to Article II, Chapter II, Division X
15 of the Education Code, for the performance of any services
16 for such agencies by any school or college under the juris-
17 dication of the Department of Education. All moneys re-
18 ceived under such agreement, except recovery of contributions
19 to State Employees Retirement Fund, are hereby appropriated
20 for the support of such school or college, in addition to
21 such other funds as may be appropriated therefor by the
22 Legislature."

23 CHAIRMAN CRAWFORD: Go ahead.

24 MR. KEARNEY: I was going to say -- yes; I
25 recall it. That was enacted, I believe, in 1957.

26 CHAIRMAN CRAWFORD: Miss Calais, can you tell us

1 if the Legislative Council has researched the question and
2 rendered an opinion as to why this section does not apply
3 to Title VI?

4 MISS CALAIS: Foreign language wasn't it?

5 CHAIRMAN CRAWFORD: Yes.

6 MISS CALAIS: It was our feeling, our opinion,
7 that 20245 wouldn't authorize the State to enter into agree-
8 ments that required matching funds, so on Title VI, our con-
9 clusion was that 20254 would be authority for the State to
10 go under the (b) part of Title VI, but not under the (a)
11 part of Title VI.

12 CHAIRMAN CRAWFORD: Thank you. Mr. Kearney,
13 under Title VIII, the Vocational Education Program, since
14 in the past a specific authorization for participation in
15 the Federal programs has always been obtained, why is author-
16 ity from the Legislature not needed this time?

17 MR. KEARNEY: Well, I think there is -- I don't
18 know whether I can answer that to your satisfaction. I
19 believe that authority exists under this 9176 of the Govern-
20 ment Code sections on joint exercise of powers.

21 CHAIRMAN CRAWFORD: Under Title X, it states that
22 that the State educational agency must submit a State plan
23 which, "sets forth the programs proposed to be carried under
24 the plan and the general policies to be followed in doing so".
25 Now, apparently from the testimony of the previous witnesses,
26 the State Department of Education doesn't think legislation

1 is necessary to authorize such a plan. Can you tell me
2 the basis for this determination?

3 MR. KEARNEY: It would be the same code sections
4 that I have recited.

5 CHAIRMAN CRAWFORD: Thank you. Since State
6 moneys will be spent on this general Federal aid to educa-
7 tion program over the next several years, how can the State
8 Department of Education obligate the State without legisla-
9 tive approval?

10 MR. KEARNEY: Well, of course, it can obligate
11 itself only to the extent that funds are made available.
12 I think we have in existence a great many agreements, con-
13 tracts and leases over an extended period of time, and of
14 course, the continued expenditure by the State agency is
15 always contingent upon the appropriation of funds. We have
16 leases that run for many years. I am speaking now from
17 experience in the Department of Finance, the State's obliga-
18 tion must be contingent upon the appropriation made by the
19 legislature.

20 CHAIRMAN CRAWFORD: Since under Title V, provid-
21 ing for testing, guidance and counseling, the allowable
22 expenditures include salaries, travel expenses, clerical
23 assistance, the purchase and maintenance of office equipment,
24 purchase of testing material and so forth, can you tell us
25 why the Department has determined that legislative approval
26 is not necessary?

1 MR. KEARNEY: May I refer to those same Code
2 sections?

3 CHAIRMAN CRAWFORD: Thank you. If State legis-
4 lation should be needed and contracts and/or agreements have
5 been made with the Federal Government, who is responsible
6 for the money contracted for or pledged by the State? I
7 assume you heard the testimony here previously that we do
8 have funds that are presently -- Federal funds that are pre-
9 sently in the State Treasury, and being more or less managed
10 or doled out by a State agency, one of the Departments? The
11 testimony of Mr. Smith?

12 MR. KEARNEY: Your question might be, is it a
13 central state government or is it a local agency responsi-
14 bility?

15 CHAIRMAN CRAWFORD: Yes.

16 MR. KEARNEY: I don't think I can answer it. I'm
17 not sufficiently familiar with that.

18 CHAIRMAN CRAWFORD: Do you have any opinion as
19 to what might occur should the State refuse to appropriate
20 money for matching these funds?

21 MR. KEARNEY: Well, the programs would fail, or
22 they would have to be curtailed or discontinued to the ex-
23 tent that the legislature either directly by some statute
24 or indirectly by refusal to appropriate funds might direct.

25 CHAIRMAN CRAWFORD: Whose credit, then, is pledg-
26 ed with regard to the moneys that have been received and

1 expended? Who is the responsible agent, the State or the
2 local?

3 MR. KEARNEY: I don't think I could answer that
4 without further study than I have made.

5 CHAIRMAN CRAWFORD: Would the State Board
6 individually be responsible?

7 MR. KEARNEY: I don't think so.

8 CHAIRMAN CRAWFORD: It would be the State govern-
9 ment?

10 MR. KEARNEY: If an agency of the State or the
11 State is responsible, I think it would be the State govern-
12 ment.

13 CHAIRMAN CRAWFORD: Can you tell us how much
14 Federal control is included within this Act?

15 MR. KEARNEY: No; I cannot, sir.

16 CHAIRMAN CRAWFORD: Are there questions by
17 other members of the Committee?

18 (There was no response.)

19 CHAIRMAN CRAWFORD: I would like to have you
20 return after the noon recess, should you have business to
21 take you out of the room at the present time, but we will
22 have further questions concerning these sections I have cited
23 as authority.

24 MR. KEARNEY: May I state my failure to arrive
25 here when this meeting convened was not due to a transient
26 whim, since I am attending the State Board of Education,

1 where in the absence of some other pressing reason I am re-
2 quired to be at all times.

3 CHAIRMAN CRAWFORD: Giving legal advice?

4 MR. KEARNEY: Yes; on questions on which I have
5 had an opportunity to prepare myself.

6 CHAIRMAN CRAWFORD: Thank you.

7 Is there a Mr. Hoffman in the room?

8 (There was no response.)

9 CHAIRMAN CRAWFORD: Richard Mayers. Will you
10 identify yourself for the record, please?

11 MR. MAYERS: Richard Mayers. I am a Deputy
12 Attorney General in the Office of the Attorney General.

13 CHAIRMAN CRAWFORD: Mr. Mayers, the previous
14 witnesses have indicated that there was no written reply
15 to the letter of September 12th directed to the Attorney
16 General from Mr. Simpson, Dr. Simpson. Do you have a
17 copy?

18 MR. MAYERS: Yes.

19 CHAIRMAN CRAWFORD: Of the correspondence?

20 MR. MAYERS: May I comment on this whole pro-
21 blem of the opinion request and what happened thereafter?

22 CHAIRMAN CRAWFORD: Certainly.

23 MR. MAYERS: Thank you. On September 12th
24 we received the opinion request you have referred to from
25 the Department of Education, and immediately we acknowledged
26 receipt of that request in our normal fashion. The same

1 day we sent a copy of the opinion request to the Attorney
2 for the Department of Health, Education and Welfare in San
3 Francisco, Mr. Arthur Miller.

4 Subsequently Mr. Miller had a conference, or two
5 conferences in my office in Sacramento and I also had a con-
6 ference with him in San Francisco in which we were in tele-
7 phonic conversation with the General Counsel's in Washington
8 D. C. These conferences all related to the requirements
9 of further legislation with respect, and I would like to
10 make this very definite, with respect to needed State legis-
11 lation which authorizes the Department of Education to enter
12 into State plans under this four Titles alone, Titles III,
13 Title V, Title VIII and Title X. I emphasize this because
14 the opinion request as originally sent over to us covered
15 the whole field from "A to Z", but in subsequent conversa-
16 tions we determined that the Department of Education would
17 only attempt to exercise its authority or jurisdiction over
18 the four Titles I have mentioned.

19 We called attention to the General Counsel in
20 Washington and to the Department of Health, Welfare and
21 Education Attorneys in San Francisco, of Education Code
22 Section 9176, and I would like to read it, please. It was
23 originally enacted some time ago. The Legislature has
24 known a great deal about it. It was amended in '43, '45
25 and '47, so these have been constant reiterations and repeti-
26 tions of this basic statute, and I would like to read it. It

1 is very, very broad.

2 CHAIRMAN CRAWFORD: Will you read the section
3 together with the amendments?

4 MR. MAYERS: Yes. I am going to read the latest
5 amendment. I am going to read it as amended in the 1957
6 Code.

7 CHAIRMAN CRAWFORD: '57?

8 MR. MAYERS: Yes. I think -- was that the
9 latest?

10 CHAIRMAN CRAWFORD: I thought you said '46 was
11 the last amendment?

12 MR. MAYERS: No, no. '43, '45 and '47.

13 CHAIRMAN CRAWFORD: '47?

14 MR. MAYERS: Yes; I'm reading now. It says
15 "Whenever by the provision of any act of Congress the act
16 is to be administered in the State by the State Superinten-
17 dent of Public Instruction, Director of Education, Depart-
18 ment of Education, State Board of Education, State Board
19 for Vocational Education, State Board for Vocational Re-
20 habilitation or any one or more of such officers, or educa-
21 tional agencies, the officer or agency designated in the
22 act by Congress are authorized to administer the act; such
23 officer or agency are vested with all necessary power and
24 authority to cooperate with the Government of the United
25 States or any agencies or agency thereof in the administra-
26 tion of the act of Congress, and rules and regulations

1 lawfully adopted thereunder."

2 We determined to our satisfaction that the Legis-
3 lature of the State of California intended just what it
4 meant, that this was not an act designed to implement a
5 particular specific act of Congress, that there are other
6 statutes in the Education Code relating other benefits that
7 congress has from time to time enacted, grants in aid, and
8 it is our function in the office of the Attorney General to
9 regularly notify the Federal Government on the submission
10 of a State plan that the appropriate State agency involved
11 in the plan is authorized under applicable state law or is
12 not to enter into the State plan.

13 Now, let me give you an illustration of what I
14 mean, and we do this as a routine function of our office:
15 "On December 26th, 1956, for example, we directed a letter
16 to the State Librarian, who is an officer in the Department
17 of Education, in which she asked us whether the State Library
18 could obtain Federal funds for aid to rural libraries under
19 a recently enacted Federal law providing funds for such a
20 purpose, and we pointed out that Education Code section
21 22023 provided that the Department of Education may accept
22 receive and administer any and all funds, moneys, or library
23 materials granted, furnished, provided, appropriated, dedi-
24 cated or made available by the United States or any one of
25 its Departments, Commissions, Bureaus, Boards or Agency for
26 the purpose of giving aid to public libraries in the State

1 of California, and under that section and others related to
2 it, we authorized her to enter into a State plan and receive
3 these funds.

4 Similarly, recently the Federal Government appro-
5 priated funds for rural library automobiles and so forth,
6 and then for library service training. This is a normal
7 problem, a regular one, where the State Government provides
8 grants in aid, and we have State statutes authorizing the
9 appropriate State agency, as sometimes happens in the Depart-
10 ment of Public Health, to enter into such things as tubercu-
11 losis research; sometimes other departments, such as the
12 Social Welfare Department, to enter into public assistance
13 in child welfare training and the like. These departments
14 of State Government are authorized by applicable legislation
15 to enter into State plans with the appropriate Federal agen-
16 cies. We have never regarded this as challenging or up-
17 setting the credit of the State of California for the reason
18 that the Legislature maintains continual control over these
19 operations by its power to deny the necessary matching funds
20 when requested.

21 These State plans only provide that we will enter
22 into these services that the Federal Government has in mind
23 if and when there are funds available. Nobody's credit is
24 established or put on the block. The Federal Government
25 can't ask us to do what we don't have the money to do. The
26 judges are authorized to have a certain salary in the State,

1 but the Legislature is not required to appropriate any money
2 for salaries, but they are not, by assuming office and sitt-
3 ing on the bench, upsetting or challenging the credit of this
4 State. They assume that the Legislature, if it wants them,
5 will appropriate money for them. If not, then they will
6 serve without fee, without a salary. So we think this
7 question of the credit of the State is not really relevant
8 to these grant-in-aid programs.

9 In addition to Section 9176, I think the Joint
10 Exercise of Powers Act is also applicable, but I do want
11 to re-emphasize here again, that our oral advice, which was
12 in a sense confirmed by the reply from the Department of
13 Education, concerned only the four Titles that I have mention-
14 ed, and on October 14th, after all of these discussions were
15 had, we told the Department that there doesn't seem to be any
16 question in our mind but that there is adequate legislation
17 for the Department of Education to enter into State plans
18 under the four Titles I indicated, and pursuant thereto, Mr.
19 Kearney wrote us a letter, and I would like to read it,
20 please. It is addressed to me, signed by Mr. Kearney,
21 dated October 14th:

22 "Please refer to our memorandum of September 12,
23 1958, requesting an opinion of your office as to the statutory
24 authority of the State Department of Education to participating
25 in carrying out the State's function in the above entitled
26 Federal legislation." He is referring to National Defense

1 Legislation Act of 1958. "In our discussion on October 10,
2 you informed me that the Federal Attorneys had expressed
3 the thought that a certification from your office in the
4 usual form would be sufficient to satisfy the Federal author-
5 ities. You expressed the belief that you would find no
6 legal reason for refusing to do the certification when the
7 occasion arises. Accordingly, there seems to be no point
8 in burdening your office with rendering a voluminous, detail-
9 ed opinion on the matter. Will you please consider the
10 matter withdrawn."

11 Subsequent to that date other private organizations
12 have written us. We get telegrams, for instance, such as
13 the one I brought for an example, and this is from the Science
14 Club of the San Francisco State College, addressed to Honor-
15 able Pat Brown: "In order to prevent State College students
16 from being denied their rights, urge you to rule that State
17 Colleges can participate in the Federal assistance to stud-
18 ents program." This was received after the opinion re-
19 quest had been withdrawn. We replied to the telegram in
20 the following fashion: "Gentlemen: In reply to your
21 telegram concerning participation by State Colleges in the
22 National Defense Act of 1958, we know of no legal problem
23 that should prevent the State Colleges from participating
24 in various aspects of the program provided for by recent
25 Federal legislation."

26 CHAIRMAN CRAWFORD: Your answer to that particular

1 letter was that you know of no legal reason?

2 MR. MAYERS: That's right.

3 CHAIRMAN CRAWFORD: You have not determined
4 whether or not there were funds available to provide match-
5 ing?

6 MR. MAYERS: It makes no difference. That is
7 the point I have been trying to make. It makes no differ-
8 ence whether there are funds available, because you are not
9 committing any credit. If and when there are funds avail-
10 able, then any State official can enter into the functions
11 that the Legislature authorizes him to do, but he can't do
12 anything without money, so there is no money problem involv-
13 ed. We never pass on whether or not there is money appro-
14 priated. For instance, the housing authority wants money
15 from the Federal Government for slum clearance. The Feder-
16 al Government asks us whether the Housing Authority has
17 authority to enter into such a contract, and we determine
18 whether it is authorized or isn't. We don't determine
19 whether there is money for it.

20 CHAIRMAN CRAWFORD: Are there questions from
21 members of the Committee?

22 ASSEMBLYMAN KELLY: Well, I have.

23 CHAIRMAN CRAWFORD: Mr. Kelly?

24 ASSEMBLYMAN KELLY: What I want to find out,
25 after all this presentation, am I right in assuming, then,
26 that under Title VIII and these other Titles, the Department

1 of Education is proceeding as they normally would under
2 Section 9176 and this other part of the Code?

3 MR. MAYERS: That is my understanding, Assembly-
4 man Kelly. I have not been in close touch with it. I
5 understand Mr. Sullivan is a consultant and a coordinator,
6 and they are proceeding with these plans, but I do not know
7 how far they have gone with them.

8 ASSEMBLYMAN KELLY: I mean, they are proceeding
9 as they would have under similar procedures of years past?

10 MR. MAYERS: They are proceeding as the Depart-
11 ment of Vocational Education is proceeding under Title VIII.

12 CHAIRMAN CRAWFORD: Mr. Hegland?

13 ASSEMBLYMAN HEGLAND: No.

14 CHAIRMAN CRAWFORD: Mr. House?

15 ASSEMBLYMAN HOUSE: You have no criticism of
16 that?

17 MR. MAYERS: Oh, no. We have reaffirmed the
18 vocational education unit's operation many times as the
19 appropriate agency to enter into State plans under the
20 Federal Vocational Education Act.

21 ASSEMBLYMAN HEGLAND: One question: You don't
22 feel in -- of course, you're probably not even asked this:
23 You don't feel yourself in any position to see to it that
24 the State agencies administer a law in harmony with what
25 would have been the intent of Congress?

26 MR. MAYERS: Getting back to your existing -- I

1 haven't been asked that, no -- I regard it as rather a neat
2 bookkeeping device, but as you do, I think there is some
3 question as to whether it adequately supports the Congression-
4 al intent.

5 CHAIRMAN CRAWFORD: Mr. Marshall?

6 MR. MARSHALL: Are we to assume, then, to take
7 rather an absurd example, but I think the principle would be
8 the same, the Federal Government provided for, say, and un-
9 limited matching basis of aid to States, with all kinds of
10 controls involved, you mean that the Department of Education
11 could take five hundred million dollars of State allocation
12 and enter a contract with the Federal Government to partici-
13 pate in their five hundred million dollar matching fund with
14 all the controls involved?

15 MR. MAYERS: Well, basic to all this, Mr. Marshall,
16 is the assumption that the Federal program is not asking the
17 State agency to perform anything which it is not already
18 authorized to do under State law. For instance, Title
19 III relates to improving of mathematics, I believe, and
20 teaching languages, if I am not mistaken. I have statute
21 here, but in any event, Title VIII as to the testing, and
22 X to the improvement of statistical services, we already
23 have the authority to engage in those functions, so by enter-
24 ing into a State plan, the State is not engaging to do any-
25 thing different from which it is already doing, you see?
26 There is a very big difference. They are not asking us

1 to undertake a program wholly alien to existing statutory
2 authorization.

3 MR. MARSHALL: But you explained that Section 9176
4 was rather broad in this function?

5 MR. MAYERS: Oh, but I had assumed and I do
6 assume that in this subject, you can't ask the State agency
7 for a State plan, the State agency cannot do something which
8 it is not authorized to do under existing State law.

9 MR. MARSHALL: What the Committee is interested
10 in, however, can the Department go in this sort of thing
11 without prior legislative approval? Are they making policy
12 for the State, are they taking over the legislative power?

13 MR. MAYERS: Well, it seems to me that when the
14 State Department of Education engages to assume Federal funds
15 for improving of mathematics or testing services or vocation-
16 al education or rural library services or tuberculosis re-
17 search, it is not taking over a legislative function, because
18 all of those things have already been authorized to respect-
19 ive agencies by the Legislature. These are not new func-
20 tions.

21 CHAIRMAN CRAWFORD: Let's see if I understand
22 you clearly: With this broad power which you say has been
23 granted by the Legislature to the various State Departments,
24 and assuming that a grant is being given in a field wherein
25 the State Department of Education is already functioning,
26 but the grant was also burdened with numerous controls,

1 would it be your opinion that the Department would still
2 have the authority to accept these funds and pledge the
3 credit of the State?

4 MR. MAYERS: Well, you have seen, Mr. Crawford,
5 how I have shied away from this phrase "pledging the credit",
6 but there is no pledge of credit until there is credit to be
7 pledged. Now, certainly the State agency may determine,
8 just like in any grant-in-aid, whether this is a program
9 which they will accept under the restrictions and require-
10 ments that the Federal Government lays down. They don't
11 have to buy this deal. It is up to the State, the State
12 agency. The State agency does not have to enter into
13 this agreement, and once the agreement is entered into, the
14 Legislature can prevent any action on the program by denying
15 either specifically by statute or by denying funds, or by
16 passing legislation saying, "You shall not do this, that, or
17 the other".

18 CHAIRMAN CRAWFORD: But you have heard from the
19 testimony already presented that they have accepted, the
20 State Department has accepted funds and that they are pro-
21 viding a means whereby local agencies can match, so actually
22 they are circumventing the State Legislature entirely inso-
23 far as -- let's say for instance there had been controls in
24 this bill --

25 MR. MAYERS: Well, I'm only trying to point out
26 there are no controls in the bill. The bill is very

1 specific that there shall be no controls over personnel,
2 over administrative functions or curriculum. That is the
3 very first part of the act.

4 CHAIRMAN CRAWFORD: We are looking into the
5 future when there might possibly be some controls which
6 might not be compatible with the wishes of this Legislature.

7 MR. MAYERS: Well, I can do no more than quote
8 F. D. R. in saying that is a very "Ify" question, and I
9 give you as an example the long history leading up to the
10 passage of the Medical Care Program in this State, where
11 there was Federal legislation on the books for years in which
12 the Federal Government says, "Here's a lot of money to assist
13 in medical care for indigents." No State agency entered
14 into a State plan for that program because there was no leg-
15 islation in this State authorizing that type of service by
16 a State agency, but we have, let us say, our joint exercise
17 of powers act which says one public agency can do for another
18 what both can do. That is the essential reason behind all
19 this. You can't do something you are not already empower-
20 ed to do. Here I believe the State Department of Educa-
21 tion is already empowered to improve mathematics and testing
22 and improve its statistical services.

23 CHAIRMAN CRAWFORD: Would you say that the Legis-
24 lature has delegated extremely broad powers under Section
25 9176?

26 MR. MAYERS: I don't know that it has delegated.

1 It has authorized the State Department of Education to
2 enter into agreements with the Federal Government where
3 Federal funds are available for functions that the Department
4 of Education can otherwise provide itself.

5 CHAIRMAN CRAWFORD: There are no controls on
6 that?

7 MR. MAYERS: Well, I think we presume that
8 public employees and public officers act reasonably, and
9 that we also presume that the Legislature --

10 CHAIRMAN CRAWFORD: The term "reasonable " is
11 sometimes subject to broad interpretation?

12 MR. MAYERS: It certainly is. Very broad in
13 interpretation, but just as we assume all public officials
14 act reasonably, we must act on that assumption until the
15 specific act is shown to have been otherwise.

16 CHAIRMAN CRAWFORD: Well, I would still like
17 to reiterate my question, saying that this particular sec-
18 tion in which you have stated that the Department has the
19 authority to accept these funds, and assuming that this
20 particular legislation, rather than having no controls as
21 has been stated here, which I do not necessarily agree with,
22 had many controls, which were not necessarily desirable; is
23 there any way at all that the Department could have been
24 prevented from entering into this agreement under the pre-
25 sently existing statutes?

26 MR. MAYER: Well, the Department, as I understand

1 it, has not expended any State funds as yet, other than the
2 use of their existing staff, on the preparation of these
3 plans. Now, I may be incorrect, but that is my under-
4 standing, that they have not received any Federal funds
5 under Title III or V. The funds received under Title
6 VIII are being held until local school districts inform
7 them of how much each school district is able to match, so
8 to my knowledge, other than the staff time, they have appar-
9 ently hired no one, as Mr. Graham Sullivan also stated, to
10 implement this. They have not spent state funds in that
11 sense, so no State credit has been jeopardized.

12 CHAIRMAN CRAWFORD: Well, that points up that
13 either they didn't carry a heavy enough work load before
14 or --

15 MR. MAYERS: No; the problem is, this is a
16 continual program. State-Federal programs are continually
17 being enacted and they are being assimilated by the State
18 staffs in various Departments. No; I don't see that --
19 only where the Federal program purports to require the State
20 Agency to do something that it is not already authorized to
21 do would the State agency be disabled from entering into a
22 State plan, and that is why you didn't enter into one in
23 the medical care program.

24 CHAIRMAN CRAWFORD: Are there any questions
25 by other members of the Committee?

26 ASSEMBLYMAN HEGLAND: Yes, George.

1 CHAIRMAN CRAWFORD: Mr. Hegland?

2 ASSEMBLYMAN HEGLAND: I think you have got a
3 very good point here. I think this, Mr. Marshall and
4 Mr. Crawford pointed up to a real problem here, this is
5 just theoretical, and if the Federal Government were to
6 authorize or were to give "X" dollars to the states to do
7 something in the field of education, and let us assume that
8 the local school boards were not doing this now either be-
9 cause they didn't have the money or because they didn't pre-
10 fer to do it, but this is in effect a temptation with this
11 money being offered. Now, the State agency then puts its
12 blessing on it. Is this not shifting some responsibility
13 over education which is a function of State Government, even
14 in the new Alaska Constitution, to the Federal Government
15 by permitting this agency on the Federal level to make such
16 an approach through out existing State Departments to all of
17 our school boards; in effect, shifting policy determinations
18 with the temptation of money? I mean, not just as George
19 said, not just in this specific case, which it may not be
20 true of, but like he said, looking ahead, and isn't this
21 at variance with some of the philosophical ideas involved
22 here?

23 MR. MAYERS: Well, this is a philosophical
24 question, and I suppose the only answer is the classic
25 argument again, Federal aids in education have always been
26 "You're tempting the devil", you're waiving around all this

1 Federal money, and we just can't resist the temptation.
2 We'll take it no matter what you tell us we have to do in
3 order to get it. I don't think that argument has a great
4 deal of validity because State Legislatures have historically
5 thought very carefully before they have entered into it. I
6 go back to our medical care program which was for years not
7 a part of the program of this State, and only at the last
8 session was it enacted in this State. Certainly the Feder-
9 al Aid Programs in general, all the grant-in-aid programs,
10 including highways and hospitals and so on, they are all de-
11 signed to implement and to do the State's standards some good.
12 If that is a temptation to warded off, that is a decision to
13 be made on each proposal and a decision to be made by the
14 Legislature.

15 ASSEMBLYMAN HEGLAND: Thank you. I think, George,
16 this Committee should consider some recommendation to limit
17 this broad granting of power. I don't mind that Legislature
18 makes this decision, but it is true, and I'm not a lawyer,
19 that each department can make it under this broad scope, I
20 think this is something different than the medical aid program
21 --

22 MR. MAYERS: May I make one additional comment?
23 I know I have talked longer than I intended, but we recently
24 received a copy of the opinion from the Office of the Legis-
25 lative Counsel addressed to the Honorable Donald Doyle on the
26 Federal Aid to Education Bill, the opinion dated November 3rd.

1 Though the opinion indicates a need for legislation and says
2 they know of no existing statutory authority, there is no
3 reference at all to the various code sections that I have
4 mentioned, like 9176 and 20254, many others, the Joint Exer-
5 cise of Powers Act, so I am not clear in my mind whether
6 these sections were subject to analysis and whether they are
7 relevant, or whether they were regarded as irrelevant, and
8 why, to this statute, they are not mentioned in the opinion.

9 CHAIRMAN CRAWFORD: I have one last question:
10 Have you rendered an opinion as to whether or not legisla-
11 tion is necessary for Title II?

12 MR. MAYERS: No. I have rendered no opinion,
13 you understand. We have written nothing. I am prepared
14 to certify to the Federal authorities that the State Depart-
15 ment of Education may, as authorized, enter into a State
16 plan under Titles III, V and --

17 CHAIRMAN CRAWFORD: No; you have mentioned
18 those, and I was asking you specifically as to II?

19 MR. MAYERS: No; none at all.

20 CHAIRMAN CRAWFORD: Thank you.

21 MISS CALAIS: Dick, how would the Joint Exercise
22 of Powers Act apply? Assuming that the Departments had
23 9176?

24 MR. MAYERS: I'm basing it essentially on that,
25 Barbara.

26 MISS CALAIS: This one gives the Department

1 power. It certainly doesn't give a School district power?

2 MR. MAYERS: That's right.

3 MISS CALAIS: So the Joint Exercise of Powers
4 would have no application?

5 MR. MAYERS: That's correct. But the Titles
6 I refer to are only with respect to this State Department.

7 MISS CALAIS: But I can't see where Joint Exer-
8 cise of Powers would apply to any of this stuff?

9 MR. MAYERS: One more final comment. Normally
10 there are about five thousand bills in the hopper, and I
11 don't think one more would hurt anything if you want to
12 spell out the needs or principles for entering into these
13 programs. It might be desirable.

14 CHAIRMAN CRAWFORD: I agree with you.

15 We are adjourned until two p. m.

16 (The Subcommittee thereupon adjourned for the
17 luncheon recess at 12:09 o'clock, p. m.)
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1 SACRAMENTO, CALIFORNIA, THURSDAY, DECEMBER 18, 1958, 2:15 P.M.

2 ----oOo----

3 CHAIRMAN CRAWFORD: The meeting will come to
4 order.

5 Mr. Mayers, will you come forward again, please?

6 Mr. Kearney, is he here? He'll be able to hear
7 from where he's seated.

8 We have had a discussion on the Joint Exercise
9 of Powers Act as well as Section 9176 during the noon recess.
10 I have asked the Legislative Counsel to research the problem
11 as to these two sections, and I would like to know if you
12 have determined if these sections are sufficient legislative
13 authority for the actions of the State Department of Educa-
14 tion, Miss Calais?

15 MISS CALAIS: It is our opinion that those pro-
16 visions are not sufficient authority.

17 Considering first 9176, which, although it wasn't
18 mentioned in the written opinion referred to here this morn-
19 ing, it was considered by the people preparing the opinion
20 in our office, it was considered it didn't go anywhere near
21 far enough where the Federal Act we are speaking of requires
22 the State to prepare and submit for the United States Com-
23 missioner's approval a State plan, or on the other hand,
24 where any matching of State funds is required, it is our
25 feeling that 9176 goes to the administration of the Federal
26 law by the State officers mentioned in the section, but not

1 for the preparation of a State plan and then administration
2 of a State plan by the State Officers or to the matching
3 funds.

4 I can't see any basis for the Joint Exercise of
5 Powers coming into operation here. They are speaking there
6 of powers of two agencies, two agencies exercising powers
7 which they both have after exercising them jointly, and it
8 is our feeling that the school districts or the State De-
9 partment of Education don't have the powers here to enter
10 into the State plans or matching the funds of the Federal
11 Government.

12 CHAIRMAN CRAWFORD: Thank you. You have also
13 rendered at our request an opinion concerning other sections
14 of our various codes in which you come to the same conclu-
15 sion?

16 MISS CALAIS: That is true. The opinion you
17 are referring to is an opinion addressed to Assemblyman
18 Doyle entitled "Federal Aid to Education", our request
19 Number 4017, dated November 3rd, 1958. The subject
20 matter of this opinion concerns whether or not State legis-
21 lation is needed to put the various points of the Federal
22 program into effect in California, which are part of the
23 National Defense Education Act of 1958, and in this opinion
24 we go down the -- well, of the many, perhaps ten federal
25 programs that are embodied in this one Act, and indicate our
26 opinion as to whether or not State legislation is necessary

1 with respect to each of these programs or the several parts
2 of each of these programs.

3 CHAIRMAN CRAWFORD: I believe you have also at
4 our request prepared the legislation which your office
5 feels is necessary for the Federal Aid to Education Act
6 to be fully utilized, or to be legally utilized?

7 MISS CALAIS: That's correct, yes.

8 CHAIRMAN CRAWFORD: Both your opinion, request
9 number 4017, will be placed in the record, as will be the
10 proposed legislation dated 11-24-58, request number 4493,
11 and the reporter will place those in the record.

12 ** (The opinion from the office of the Legislative
13 Counsel, dated November 3, 1958, entitled, Federal Aid
14 to Education, Request Number 4017, appears hereafter in
15 full, as follows:)

16 "Sacramento, California.

17 "November 3, 1958.

18 "Honorable Donald D. Doyle.

19 "3585 Powell Drive '

20 "Lafayette, California.

21 "Federal Aid to Education - #4017.

22 "Dear Mr. Doyle:

23 "You have submitted a copy of the recently enacted
24 National Defense Education Act of 1958 (Public Law 864, 85th
25 Congress, Second Session), approved September 2, 1958, and
26 have asked whether state legislation is necessary in order
to put the several federal programs provided for by the act

1 into effect in this State.

2 "The several federal programs to which you refer-
3 red are contained in separate titles of the act (Titles II to
4 X, incl.) which we shall consider in the order in which they
5 appear in the act. Before considering these separate
6 titles, however, it may be noted that Title 1 of the Act
7 contains a statement of findings and declaration of policy
8 (Sec. 101) and also includes a section defining terms used
9 in the act (Sec. 103). Among the terms defined is the
10 term 'institution of higher education.' That term is de-
11 fined as meaning any educational institution in the State
12 which (1) admits as regular students only persons having a
13 certificate of graduation from high school, or the recog-
14 nized equivalent of such a certificate, (2) is legally
15 authorized to provide an educational program beyond high
16 school, (3) provides an educational program for which it
17 awards a bachelor's degree 'or provides not less than a two-
18 year program which is acceptable for full credit toward such
19 a degree', (4) is a public or nonprofit institution, and
20 (5) is accredited by a nationally recognized accrediting
21 agency or association, or if not so accredited, is an in-
22 stitution whose credits are accepted on transfer by not
23 less than three institutions which are so accredited (subd.
24 (b), Sec. 103).

25 "Also defined is the term 'State Educational
26 agency.' That term is defined as meaning 'the State board

of education or other agency or officer primarily responsible for the state supervision of public elementary and secondary schools, or if there is no such officer or agency, an officer or agency designated by the governor or by State laws' (Subd. (e) Sec. 103).

"Title II of the act establishes a federal student loan program and is entitled 'Loans to students in Institutions of Higher Education.' Under the provisions of that title (Title II), there is appropriated specified sums for a number of fiscal years, including the fiscal year ending June 30, 1963, 'and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July, 1, 1962, to continue or complete their education.' The funds appropriated by this title are allocated to several states by the Commissioner of Education in accordance with a prescribed formula (Sec. 202 (a)) and must be used, together with contributions from institutions of higher education for the 'establishment and maintenance of student loan funds' (Sec. 201).

"Any institution of higher education desiring such funds must make application therefor (Sec. 203) and enter into an agreement containing prescribed terms and conditions (Sec. 204). Among other things, applicants for such funds must agree to deposit in the student loan fund an amount 'equal to not less than one-ninth of such

1 Federal contributions' (subd. (2), Sec. 204). The act
2 also limits the amount which may be loaned to any student
3 and also requires that the loan be evidenced by a note or
4 other agreement providing for repayment in the manner pres-
5 cribed (Sec. 205). Further, the act requires a capital
6 distribution of the balance of the student loan fund 'not
7 later than September 30, 1966,' in the manner prescribed
8 (Sec. 206).

9 "Thus it appears that the federal student loan
10 program established by the act contemplates the execution
11 of an agreement between the Commissioner of Education and
12 the institution of higher education seeking to participate
13 in the program, which agreement must include the terms and
14 conditions prescribed. Since the execution of such a con-
15 tract is required, the question whether legislation is
16 necessary will depend upon the type of institution of higher
17 education with which we are concerned. Insofar as 'non-
18 profit' institutions of higher education are concerned, we
19 believe it clear that no legislation is necessary in order
20 for such institutions to participate in the program.

21 "Considering next the question whether legislation
22 is necessary in order for junior colleges to participate
23 in the program, we believe it well settled that such insti-
24 tutions have only such powers as are expressly conferred or
25 which may be fairly implied from those expressly granted
26 (Pasadena School Dist. v. Pasadena (1913), 166 Cal. 7).

1 Since we find no provision which expressly or by fair
2 implication authorizes a junior college district to enter
3 into such an agreement, we conclude that such authority does
4 not exist. It therefore appears that legislation is
5 necessary if this Federal program is to be put into effect
6 in junior colleges. Likewise, we believe the same is
7 true insofar as the several state colleges in this State are
8 concerned since we find nothing which expressly or by fair
9 implication authorizes such colleges to enter into the
10 required agreements.

11 "Insofar as the University of California is con-
12 cerned, we believe that as in the case of 'nonprofit' insti-
13 tutions of higher education, no legislation is necessary.
14 Under the provisions of Section 9 of Article IX of the State
15 Constitution, the Board of Regents of the University has
16 'full powers of organization and government, subject only
17 to such legislative control as may be necessary to insure
18 compliance with the terms of the endowments to the univers-
19 ity and the security of its funds.' In view of these
20 constitutional provisions, it appears that whether or not
21 the University of California participates in this federal
22 program is a matter which is exclusively a university affair
23 subject to board control rather than legislative control
24 (see Williams v. Wheeler (1913), 23 Cal. Ap. 619; Wallace
25 v. Regents etc. (1925), 75 Cal. App. 274; Tolman v.
26 Underhill (1952), 39 Cal. 2d 708.)

1 "Title III of the act appropriates a specified
2 sum for each of the fiscal years ending with the fiscal year
3 June 30, 1962, 'for (1) making payments to State educational
4 agencies under this title for the acquisition of equipment
5 (suitable for use in providing education in science, mathe-
6 matics, or modern foreign language) and for minor remodel-
7 ing' (of laboratory or other space used for such materials
8 or equipment) (Sec. 301). As in the case of the appro-
9 priations for student loans, the funds appropriated by
10 this title (Title III) must be allocated to the several states
11 by the Commissioner of Education in accordance with a pres-
12 cribed formula (Sec. 302). Here, however, the funds so
13 allocated are paid to the State on a matching basis after
14 the fiscal year ending June 30, 1959, in accordance with
15 a 'State plan approved under Section 303' (Sec. 304 (b)).

16 "With respect to the State plan referred to in
17 Section 304, it is provided by Section 303 that:

18 "Any State which desires to receive payments
19 under this title shall submit to the Commissioner, through
20 its State educational agency, a State plan which meets the
21 requirements of Section 1004 (a) and . . .'

22 "The section (Sec. 303) then prescribes what
23 shall be included in the State plan. Further, the section
24 (Sec. 1004) referred to in the above quoted portion of
25 Section 303 provies, among other things, that no state plan
26 shall be approved by the commissioner unless 'the State

1 educational agency will be the sole agency for administer-
2 ing the plan.'

3 "Thus it appears that the federal program estab-
4 lished by Title III of the act (financial assistance for
5 strengthening instruction in science, mathematics and modern
6 foreign language) contemplates the submission of a State
7 plan by the state 'through its State educational agency'
8 which meets certain specified requirements and the matching
9 of federal funds by the State during the fiscal years speci-
10 fied.

11 "Since we are not aware of any existing legisla-
12 tion which authorizes the 'State educational agency,' as that
13 term is defined in the federal act, to submit such a plan,
14 we believe legislation is necessary if the program is to
15 be put into effect in this State.

16 "Title IV of the act authorizes the Commissioner
17 of Education to award 'fellowships under this title to
18 individuals accepted for study in graduate programs approv-
19 ed by him under this section' (Sec. 403). It does not appear
20 that state legislation is contemplated or required by this
21 title of the act.

22 "Title V of the act authorizes the establishment
23 of a program for the testing of high school students having
24 outstanding aptitudes and ability and providing for guid-
25 ance and counseling services. The program authorized by
26 this title (Title V) is similar to that authorized by

1 Title III in that it appropriates federal funds for the same
2 number of years 'for making grants to State educational
3 agencies' for the purposes prescribed (Sec. 501). Also,
4 as in that case, any state desiring to participate in the
5 program must submit to the Commissioner of Education,
6 'through its State educational agency,' a state plan which
7 meets the requirements prescribed (Sec. 503). Here, again,
8 the federal funds granted to the State are on a matching
9 basis after the first fiscal year of operation of the pro-
10 gram (Sec. 504 (a)).

11 "As in the case of the federal program provided
12 for by Title III of the act, we are not aware of any exist-
13 ing legislation which authorizes the 'State educational
14 agency' to submit the required plan under the federal pro-
15 gram, provided for in this title (Title V); therefore, we
16 believe state legislation to do so is necessary.

17 "Title VI of the act consists of two parts (Part A
18 and Part B) and is entitled 'Language Development.' Under
19 Part A of that title the Commissioner of Education is
20 authorized to contract with institutions of higher education
21 for the establishment and operation during a four year per-
22 iod ending June 30, 1962, of centers for the teaching of
23 certain foreign languages and related fields of study. Such
24 contract, however, 'may cover not more than 50 per centum
25 of the cost of the establishment and operation of the
26 center' (Sec. 601 (a)).

1 "Under Part B of this title (Title VI) the
2 Commissioner of Education is authorized to contract with
3 institutions of higher education for the operation of 'short
4 term or regular session institutes for advance training ...
5 for individuals who are engaged in or preparing to engage
6 in the teaching, or supervising or training teachers, of
7 any modern foreign language in elementary or secondary
8 schools' (Sec. 611).

9 "Since Section 20254 of the Education Code pre-
10 sently authorizes the Director of Education to enter into
11 agreements with agencies of the Federal Government 'for the
12 performance of any services for such agencies by any school
13 or college under the jurisdiction of the Department of
14 Education,' it appears that further legislation is not
15 necessary insofar as the provisions of Part B of this title
16 is concerned. However, with respect to the establishment
17 of language centers, the cost of which the Commissioner of
18 Education can pay not more than one-half, we believe legis-
19 lation is necessary since it does not appear that Education
20 Code Section 20254 is applicable to a situation in which the
21 State must bear a portion of the cost.

22 "Title VII of the act requires the Commissioner
23 of Education to conduct and foster research in certain
24 fields (television, radio, motion pictures, and related media
25 of communication) 'which may prove of value to State or
26 local educational agencies in the operation of their public

1 elementary or secondary schools' and to institutions of
2 higher education (Sec. 701). It does not appear that
3 state legislation is either contemplated or required in
4 connection with this federal program.

5 "Title VIII of the act relates to vocational
6 education programs and amends the 'Vocational Education
7 Act of 1946' by adding Title III thereto which authorizes
8 the allocation of federal funds, to be matched by an equal
9 amount of state or local funds, for the purpose of training
10 individuals in certain specified fields 'necessary for the
11 national defense' (Sec. 303).

12 "As amended, the act (Vocational Education Act
13 of 1946) provides, in part, that:

14 "'To be eligible to participate in this title
15 the State plan must be amended to include a new part which -
16 (1) designates the State board as the sole agency for ad-
17 ministration ...' (Sec. 305).

18 "Whether or not state legislation is necessary in
19 connection with this new federal vocational education pro-
20 gram, we believe, depends upon whether or not existing
21 legislation accepting previously enacted federal vocational
22 education programs is broad enough to include this new pro-
23 gram. For the purpose of determining that question we look
24 to the existing provisions accepting such previously enacted
25 federal programs.

26 "By the enactment of the predecessor of Education

1 Code Section 9161 (Ch. 720, Stats. 1917), the Legislature
2 accepted the provisions of the Smith-Hughes Vocational
3 Education Act, approved February 23, 1917. Further, by the
4 enactment of the predecessor of Education Code Section 9162
5 (Ch. 629, Stats. 1937), the provisions of the federal voca-
6 tional education act as approved on June 8, 1936, were ac-
7 cepted. Following the enactment of the 'Vocational Educa-
8 tion Act of 1946' by Congress, the Legislature amended
9 Education Code Section 9162 to include the acceptance of
10 the last mentioned federal program.

11 "It will be noted that in each of these previous
12 enactments the Legislature has specified the federal voca-
13 tional education program which was being accepted. Since
14 those provisions (Ed. C. Secs. 9161 and 9162) do not include
15 acceptance of future federal programs of vocational education
16 we believe that legislation is necessary in order to put the
17 federal program authorized by Title VIII of the act in effect
18 in this State.

19 "Title IX of the act requires the National Science
20 Foundation, a federal agency, to establish 'a Science Infor-
21 mation Service' to provide for the indexing, abstracting,
22 translating and other services leading to a more effective
23 dissemination of scientific information (Sec. 901). It
24 does not appear that state legislation is necessary with
25 respect to this federal program.

26 "Title X of the act contains a number of

1 miscellaneous provisions relating to the administration of
2 the act, the appointment of advisory committees, and the
3 approval of state plans as are required under certain titles
4 of the act. Except for the program authorized by Section
5 1009 which is included in this title, it does not appear that
6 state legislation is necessary.

7 "That section (Sec. 1009) authorizes the Commis-
8 sioner of Education to make grants 'equal to one-half of
9 the cost of State educational agency programs to carry out
10 the purposes of this section' (subd. (b), Sec. 1009). The
11 purposes of the section are to 'improve and strengthen the
12 adequacy and reliability of educational statistics provided
13 by State and local reports and records and the methods and
14 techniques for collecting and processing educational data
15 and disseminating information about the condition and pro-
16 gress of education in the States' (Subd. (a), Sec. 1009).

17 "In order to participate in the federal program
18 contemplated by this section (Sec. 1009), the state educa-
19 tional agency must submit a state plan to the Commissioner
20 of Education which 'sets forth the programs proposed to be
21 carried under the plan and the general policies to be fol-
22 lowed in doing so' (Subd. (d), Sec. 1009).

23 "As in the case of the several other federal pro-
24 grams authorized by the act which require the submission of
25 a state plan and the matching of federal funds, we believe
26 that legislation is necessary if the program contemplated by
this section (Sec. 1009) is to be put into effect in this

1 State.

2 "Very truly yours, Ralph N. Kleps, Legislative
3 Counsel.

4 "By Robley E. George, Deputy Legislative Counsel.

5 "REG:vf" - - -

6 * * (Proposed legislation, dated November 24,
7 1958, being request number 4493, appears hereafter in full,
8 as follows:)

9 "An act to add Article 11.5 (Commencing at Section
10 9171) to Chapter 7 of Division 4 of the Education Code,
11 relating to the acceptance of the provisions and benefits of
12 the 'National Defense Education Act of 1958', approved
13 September 2, 1958.

14 "The people of the State of California do enact as
15 follows:

16 "Section 1. Article 11.5 is added to Chapter 7,
17 of Division 4 of the Education Code, to read:

18 "Article 11.5. National Defense Education 9171.
19 The people of the State of California accept the provisions
20 of, and each of the funds provided by, the act of Congress
21 entitled 'An act to strengthen the national defense and to
22 encourage and assist in the expansion and improvement of
23 educational programs to meet critical national needs; and
24 for other purposes' (National Defense Education Act of 1958),
25 approved September 2, 1958.

26 "9172. In accepting the benefits of the act of

1 Congress, the people of the State agree to comply with all
2 of the provisions and to observe all of its requirements.

3 "9173. The State Board of Education is designat-
4 ed as the state agency to carry out the purposes and the
5 provisions of the act of Congress, and is hereby vested
6 with all necessary power and authority to cooperate with
7 the Government of the United States, or any agency or
8 agencies thereof in the administration of the act of Con-
9 gress and the rules and regulations adopted thereunder.

10 "9174. The State Treasurer is designated as
11 the custodian of all funds received by the State from the
12 Government of the United States, or of any agency or agen-
13 cies thereof, under the federal act and he is authorized
14 to receive and provide for the custody of all moneys so
15 received.

16 "9175. The funds received by the State under
17 the provisions of the federal act shall be paid out by the
18 State Treasurer on warrants drawn by the Controller and
19 requisitioned by the State Board of Education in carrying
20 out the purposes of the federal act."

21 - - -

22 CHAIRMAN CRAWFORD: Now, I assume, Mr. Mayers,
23 that you are not in concurrence with the opinion rendered
24 by the Legislative Counsel. As of this time I would re-
25 quest that your office prepare an opinion for this Committee
26 supporting your position that the Joint Exercise of Powers

1 Act and/or of Section 9176 of the Education Code authorizes
2 the actions of the State Department of Education.

3 MR. MAYERS: May I comment on it, if I may?

4 CHAIRMAN CRAWFORD: Certainly.

5 MR. MAYERS: I frankly think that in view of
6 the fact that I have been asked to come over here on behalf
7 of our office and I have expressed my views at some length,
8 that the compounding of an unseemly dispute between attorneys
9 of two agencies is somewhat unnecessary, particularly in
10 view of the fact the Legislative Counsel has already pro-
11 vided you with legislation seemingly needed, and I think I
12 said before it would be desirable to have such legislation --

13 CHAIRMAN CRAWFORD: I acknowledge the fact you
14 said legislation is necessary, or that one more bill would
15 not hurt, but since there is a dispute concerning these two
16 statutes, I feel that it would be beneficial to our future
17 Legislators if we could have your opinion. I am not de-
18 termining at this time, nor is the Committee determining at
19 this time which position is correct, but we would like to
20 have both sides in order that we might fully consider this
21 matter from all angles.

22 MR. MAYERS: All right. Now, is it the Commit-
23 tee's understanding that this opinion, or at least my views
24 heretofore, are confined to parts 3, 5 and 10?

25 CHAIRMAN CRAWFORD: Yes. That is in the re-
26 cord.

1 MR. MAYERS: Okay. Fine. We'll be happy to
2 prepare that for you.

3 ASSEMBLYMAN GEDDES: Mr. Chairman, a question?

4 CHAIRMAN CRAWFORD: Pardon me. I neglected to
5 introduce the Honorable Sam Geddes.

6 ASSEMBLYMAN GEDDES: The only thing I'm inter-
7 ested in in this report, or this analysis, you know I came
8 in late, and that was in reference to federal aid?

9 CHAIRMAN CRAWFORD: That's correct.

10 ASSEMBLYMAN GEDDES: And the opinions conflict?
11 Your opinion?

12 MR. MAYERS: Well, I would like also to be able
13 to obtain from the Legislative Counsel their views on 9176,
14 which is not mentioned in their opinion. We have no more
15 now than two oral statements that disagree, and I would very
16 much appreciate it, or our office would appreciate having
17 the benefit of their views.

18 CHAIRMAN CRAWFORD: That will be provided.

19 ASSEMBLYMAN GEDDES: Are you going to put these
20 opinions in the report?

21 CHAIRMAN CRAWFORD: Yes.

22 ASSEMBLYMAN GEDDES: We can have it available?

23 CHAIRMAN CRAWFORD: That's correct. Then, when
24 we need to determine the necessity of suggested legislation,
25 we will have the benefit of both of these views at that time.
26 I think it would also be of benefit to Mr. Kearney

1 to have both of these opinions so that he might be better
2 able to advise the State Department, and at this time I
3 think that we will close this particular question until we
4 have the benefit of all those reports, and those witnesses
5 who were here on this particular portion of our agenda to-
6 day are excused at this time.

7 MISS CALAIS: Mr. Chairman, may I ask what date
8 you would like our office to --

9 CHAIRMAN CRAWFORD: Let's give you both the same
10 time?

11 MISS CALAIS: Its immaterial to me. Just so
12 I can put down that you want it within a week or two weeks?

13 CHAIRMAN CRAWFORD: This is the 18th day. I'd
14 say it should be prior to January 5th; is that all right
15 with you?

16 MR. MAYERS: Yes. I'm concerned about that too,
17 because these funds particularly III and V, were designed --
18 the reason I wanted to emphasize this, the Department of
19 Education asked us for our views a week after the Federal
20 law was passed, because they wanted to get these funds
21 available to the spring semester in the schools throughout
22 the state, and that was the reason why the Federal attorneys
23 in Washington made clear to us that the law was passed as
24 broadly as possible so as to obviate the necessity of im-
25 plementing State legislation because of this spring session.

26 ASSEMBLYMAN GEDDES: Mr. Chairman, could I ask

1 another question?

2 CHAIRMAN CRAWFORD: Mr. Geddes.

3 ASSEMBLYMAN GEDDES: I would like to know how
4 it is functioning in the State. Is it working, this
5 Federal Aid?

6 MR. MAYERS: It hasn't started yet. The law
7 was started in September.

8 ASSEMBLYMAN GEDDES: It hasn't started?

9 MR. MAYERS: No. I imagine the spring semes-
10 ter is the time it would first find any action.

11 ASSEMBLYMAN GEDDES: I thought it started.

12 MR. MAYERS: Not that I know of. Mr. Sulli-
13 van?

14 MR. SULLIVAN: If it is proper, Mr. Chairman,
15 I can make a brief statement?

16 CHAIRMAN CRAWFORD: Yes. Will you come
17 forward?

18 MR. SULLIVAN: With regard to Mr. Geddes'
19 question --

20 CHAIRMAN CRAWFORD: (Addressing to Mr. Mayers)
21 You are excused now.

22 MR. GRAHAM SULLIVAN: The only part of the Act
23 which is actually in operation now any place in the country
24 is Title VIII, which is the Vocational Education provision
25 of the Act. Now, as we indicated this morning, in
26 reality, this provision calls for an amendment to existing

1 State plans for vocational education, hence it was easier
2 for the various states to move ahead on Title VIII than on
3 the other titles, and so actually, the other states are in
4 the same position that the State of California is presently
5 in preparing plans for review and to submit to the United
6 States Commissioner of Education for their approval.

7 ASSEMBLYMAN GEDDES: I was under the opinion
8 of reading somewhere, where as you say, maybe Title VIII,
9 somewhere was functioning?

10 MR. SULLIVAN: That is exactly right. It is
11 also in California.

12 Mr. Chairman, if it is proper, just a very brief
13 statement to get the record straight, since matching funds
14 has been the major question under discussion this morning.
15 I believe I failed to say this morning, as I reviewed the
16 Act, under Title III, which is the improvement in instruc-
17 tion in science, math and modern foreign languages, and
18 Title V, in Title III, the second part of it, for improve-
19 ment of supervision and instruction, that is the three
20 hundred sixty-two thousand figure I referred to, and Title
21 V, guidance, counseling and testing, which is the maximum
22 of a million one hundred thousand for California, requires
23 no matching funds from the States, or from the State of
24 California. In our case, for this fiscal year. So as
25 we talk about this, the rest of this fiscal year, there is
26 no requirement. The purpose of that, and the intent of

1 Congress was to enable states to move ahead and implement
2 that program if they desire, recognizing that there would
3 not be an appropriation available for that purpose in the
4 respective states, so for Title III, part 2, and Title V,
5 for this fiscal year, there is no matching fund requirement.
6 I wanted to be sure that was understood by the Committee.

7 CHAIRMAN CRAWFORD: Yes; it is. Thank you.
8 Mr. Geddes, for your information, primarily this inquiry
9 was raised because it appears that the State Department
10 of Education was entering into negotiations, reaching agree-
11 ments with the Federal Government without receiving prior,
12 in some of our opinions, prior legislative approval.

13 ASSEMBLYMAN GEDDES: I see.

14 CHAIRMAN CRAWFORD: I believe that although
15 you missed the first part of this hearing, that it is quite
16 comprehensive and I think it will present a very clear pic-
17 ture in the two conflicting opinions as to whether or not
18 legislative intent should be spelled out, whether or not
19 there are any weaknesses in the present law and whether this
20 Committee should introduce the legislation.

21 ASSEMBLYMAN GEDDES: The only thing, Mr. Chair-
22 man, I am interested in, I am interested in this subject
23 and I think it is very important and very necessary and I'm
24 sorry I have my other committees, or another committee, with
25 a delegation from Napa Valley, but I am particularly inter-
26 ested in this and I would like to see the program get

1 functioning. In other words, we need it badly, and I would
2 just like, if there is a conflict here of interest --

3 CHAIRMAN CRAWFORD: Not a conflict of interest.
4 It is a conflict of opinions as to whether actions that
5 have been taken are legal or not.

6 The next subject of our inquiry is concerning
7 the State Scholarship Plan. Mr. Moore? Father Hauck,
8 would you come up at the same time?

9 Mr. Moore, you have been asked to give to the
10 Committee the status of the State Scholarship Plan. Will
11 you just proceed?

12 MR. JAMES W. MOORE: Mr. Chairman, members of
13 the Committee. For the record, my name is James W.
14 Moore. I am Executive Secretary for the California State
15 Scholarship Commission. Here also at the table is Father
16 Herman Hauck, who is Vice Chairman of the Scholarship
17 Commission. Our Chairman, Mr. Morris Jones sends his
18 regrets that he was unable to be with us today as he had
19 planned.

20 Mr. Chairman, as the written report which I have
21 handed to members of this Committee indicates, there are
22 four purposes in this report to the Subcommittee. The
23 first is a very brief statement as to the present status
24 of the 1958-'59 State Scholarship competition. This is
25 the fourth consecutive year in which the Commission has
26 conducted an academic competition throughout the State

1 looking towards selection of a fourth group of ward winners
2 in the spring of next year, and under Roman I, beginning
3 midway down the first page is some informative material
4 with respect to the present competition. I think I need
5 make no further comment on it other than to indicate that
6 we anticipate a total applicant group approximately four
7 times the number of students which we had in the program
8 in the spring of 1956 when the Commission went into opera-
9 tion for the first time.

10 The second portion of this report on page 2 is
11 again informative and presents over a three year period
12 certain distributions of award winners to show you compara-
13 tive data from the years 1956 through 1958.

14 The third portion is a somewhat more detailed
15 summary showing in detail the numbers of students who have
16 been enrolled under the program in each of the participat-
17 ing institutions in the State, as well as the gross amounts
18 of money which have been paid or will be paid during the
19 current fiscal year as scholarship awards into these insti-
20 tutions. You will notice at the bottom of this particu-
21 lar summary that the average amount of the award has in-
22 creased slightly over the last three years. This is due
23 in part to the tuition increases in many of the schools in
24 the State and in part to the fact that a slightly higher
25 percentage of students are this year enrolled in the indepen-
26 dent colleges, with those awards at a much higher level

1 than those held by students in the University of California
2 or the State Colleges.

3 If there are no questions from the Committee at
4 this point I'll go into the matter of legislative recommen-
5 dations from the Commission?

6 CHAIRMAN CRAWFORD: Please do.

7 MR. MOORE: Is this proper, Mr. Chairman?

8 CHAIRMAN CRAWFORD: Yes.

9 MR. MOORE: Part 4 of this report is divided
10 into two parts. The first is a series of three technical
11 changes in the law which come before this Subcommittee.
12 First is recommendations made by the Legislative Committee
13 of the Scholarship Commission itself. This is a five
14 member committee which met last summer to establish a ser-
15 ies of changes in the law which were then considered at two
16 subsequent meetings by the entire commission. The first
17 of these is a recommendation now of the Scholarship Commis-
18 sion that the present termination date on the program, which
19 is found in Section 21716 of the Education Code be eliminat-
20 ed entirely. This is brought before you for two reasons:
21 First of all, the program, its structure generally, is about
22 a four year pattern or four year college course. That is
23 the assumption that additional award winners coming in as
24 freshmen will spend four years in college. In our litera-
25 ture to students, and in reply to questions we state that
26 this award may be renewed for a maximum of four years under

1 the existing legislation. Only those students who enter
2 in college in September of this year or the year before may
3 look toward a maximum of four years under the program.
4 Students who will be selected in the current competition
5 will have only three years of eligibility because they
6 will enter college in September of 1959. The award pro-
7 gram under the present law will be terminated for all prac-
8 tical purposes in the spring of 1962.

9 The second of these three technical recommenda-
10 tions has to do with a conflict in the wording of a portion
11 of Section 21710. This section says "A competitive
12 scholarship may be renewed annually without additional
13 competitive examination until the award winner has received
14 four annual awards, or until he has been graduated from such
15 institution in an undergraduate course." An institution
16 in this sentence refers to another section of the Code
17 which defines an eligible college or university. We have
18 determined over the past three years that there are a num-
19 ber of undergraduate courses in the State of California in
20 these accredited colleges which actually extend over more
21 than four years, or eight semesters. The Attorney
22 General's Office has indicated to us that there is not,
23 of necessity, an equating of four years in an undergraduate
24 course here. That is, a student who conceivably is en-
25 rolled in an undergraduate course which lasts for seven
26 years could say to us, "I have not yet graduated, therefore

1 I'm eligible for seven annual awards." To eliminate
2 this conflict, we recommend the addition of the phrase
3 "Whichever is earlier" at the conclusion of this sentence,
4 which would then have the effect of limiting it to four
5 years the number of, or limiting to four the number of
6 annual awards any given student could carry, or less than
7 that, had he completed his undergraduate program earlier.

8 Number 3 is a rather minor change in the language,
9 in Section 21709.1. This section, incidentally, was
10 added in the 1956 or '57 session. I forgot now which
11 one. "The State Scholarship Commission shall appoint an
12 executive secretary who shall be the chief executive of-
13 ficer for the Commission and shall serve at the pleasure
14 of the Commission." It is the feeling of the Commission
15 at this time that in light of the expansion of the program,
16 the fact that similar programs in other states have designat-
17 ed the Chief Officer as either "Director" or "Executive
18 Director", that this title of "Executive Secretary" be
19 deleted and the term "Executive Director" be substituted
20 therefor.

21 CHAIRMAN CRAWFORD: Mr. Moore?

22 MR. MOORE: Yes, sir.

23 CHAIRMAN CRAWFORD: You'll take this in lieu
24 of a salary raise?

25 MR. MOORE: Yes, sir.

26 CHAIRMAN CRAWFORD: All right.

1 MR. MOORE: Now, item (b) or Section (b) is
2 concerned with a different type of change in the program.
3 The first three come to the Subcommittee, the ones I have
4 just reviewed, as recommendations for eventual legislative
5 modification. Our purpose in Section (b) is to present
6 information with respect to certain limits on the size of
7 the program, and also a series of recommendations as regards
8 the concept of subsistence scholarships. The Commission
9 feels that its proper role, it is its proper role here to
10 present to the Subcommittee information bearing on three
11 points. First of all, a change in the present \$600
12 ceiling on the individual award. Secondly, on the number
13 of awards. And third, on the idea of a subsistence pro-
14 gram so that you may have before you all of the present in-
15 formation which we have with respect to the extent of the
16 present program, and then on this basis, you'll be able to
17 determine whether or not changes in it should be made.

18 The chart following page 4 shows over a three
19 year period the increases in tuition costs alone within
20 the State of California. These do not include changes
21 in room and board charges or other college related costs,
22 but refer only to the set tuition fee charged by a given
23 institution.

24 I notice there is some variation here in the
25 University of California tuition charges in 1956, and I
26 suspect that our staff in preparing this has included for

1 at least Riverside, Santa Barbara, and I believe UCLA, the
2 A. S. U. C. fee as well as the tuition charge. That
3 should properly be \$90.00 for each institution in 1956.
4 The same is true for State Colleges. It should be \$40.00.
5 This is a materials and service fee, I believe, in each of
6 the State Colleges in the State, but you will note in other
7 institutions, specifically the private colleges, some rather
8 substantial changes over a three year period. My point
9 in making this comment is simply this: That at the time
10 the original bill was drafted in the spring of 1956 or '55,
11 pardon me, the amount of \$600.00 represented all or nearly
12 all of the tuition charges in most of the institutions in
13 the State. It covered at least 75 percent of the highest
14 tuition charge then in existence. You will note that
15 because of these charges in various schools, this is no
16 longer the case. That \$600 in many schools is much
17 closer to two-thirds or perhaps even less of the total
18 tuition charge.

19 Over at the top of page 6 is a very small chart
20 which illustrates the cost of increasing the present pro-
21 gram. That is, there are 1920 awards in effect at the
22 moment. If by some miracle the \$600 will be transformed
23 into \$700 in September of this year, 1034 scholarships
24 would have been affected. That is 1034 students en-
25 rolled in 13 colleges and universities in the State, with
26 a gross cost of \$99,600. The column at the far right

1 indicates the number of additional scholarships which
2 could have been provided or could be provided for these
3 same budgetary increases in the program. Then as one
4 goes upward in the hundred segment scale, a fewer number
5 of colleges and a fewer number of awards are affected, but
6 you will note that there are still 790 students enrolled
7 in institutions which charge a thousand dollars or more
8 per year for tuition. This again, as I said, we sub-
9 mit on an informational basis.

10 Number 2, expansion of the number of awards.
11 This is a somewhat more difficult problem for us to address
12 ourselves to, because our whole program is actually geared
13 toward supplying the Commission with a number of qualified
14 award winners related to the number of awards which will
15 be available in the summer or the spring and summer of any
16 given year. Consequently the cutting scores on scholas-
17 tic aptitude tests, the number of semi-finalists on whom
18 need analysis are done, or all related data, the assumption
19 there is it is foolish to qualify several hundred more
20 students than the maximum number of awards available during
21 any given award granting season, as it were. The first
22 year of the program we actually ran out of alternates be-
23 fore the end of the summer, and because of a then existing
24 restriction in the law, were not able to grant 640 scholar-
25 ships. The number that year was about 610, and I think
26 599 students actually were in college in October. This,

1 however, is because the program was quite new. The next
2 year we had a sufficient number to fill all of the avail-
3 able awards, and this past year for the first time have had
4 an excess of qualified applicants, and I would imagine this
5 excess will continue and grow larger with each succeeding
6 competition year. In October when we had completed our
7 alternate nomination procedures for 1958, there were still
8 130 fully qualified alternates for whom no awards were avail-
9 able. Furthermore, if we had used this past summer the
10 same minimum qualifying scores on the scholastic aptitude
11 tests that were used in 1956, there would have been another
12 350 fully qualified award winners. Now, if these two
13 numbers are added together, 350 and 130, this brings to
14 480, or approximately half of the total number of new awards
15 that we made, the number of students who were qualified and
16 for whom no scholarship awards were available because of the
17 statutory limit in the law.

18 Number 3 is concerned with the concept of sub-
19 sistence scholarships. Now, this is a problem which
20 the Commission has given much thought to and has discussed
21 many times over the past three years, and for the guidance
22 of this subcommittee and other interested groups in the
23 Legislature, we have under point 3 put together a series
24 of principles which we commend to you as a basis for which
25 a subsistence scholarship, or basis on which, I should say,
26 a subsistence scholarship program could be founded. These

1 are found over on page 7. There are five of these, not
2 necessarily ranked in order of importance, although the
3 first one, I would imagine, is the most important. That
4 is this: That a program of subsistence awards, that is,
5 scholarships which may be used for payment of expenses
6 other than tuition and fees, must be contained in legisla-
7 tion separate and apart from that currently found in sections
8 21700 to 21716 of the Education Code. This is the State
9 scholarship statute. There should be no modification of
10 the present law to provide for use of the awards described
11 in Sections 21710 for any other purpose than for the pre-
12 payment of tuition and necessary fee charges. The idea
13 here is that a subsistence program actually should be an
14 augmentation of or in addition to, let me put it that way,
15 the present program, rather than to be put in as an internal
16 change in the present definition of the purposes for which
17 a payment may be used.

18 We suggest under (b) a program, or (b) and (c),
19 a program similar to the one which the Commission is now
20 operating, and suggest further that these awards be granted
21 according to the measurement of individual financial need,
22 and that they be available no sooner than the academic year
23 1960-'61.

24 This concludes our series or our two sets of
25 items for your consideration.

26 Father Hauck, have you anything to add at this

1 point?

2 FATHER HAUCK: Yes. I would like to file
3 something, if I may, Mr. Chairman.

4 CHAIRMAN CRAWFORD: Certainly.

5 FATHER HAUCK: Only in underscoring, perhaps,
6 an emphasis to Mr. Moore's report.

7 First of all, as regards to the complete report,
8 I would think you might realize upon a detailed reading of
9 it that the important areas are the second and fourth year.
10 The first is merely indicating of the current status of the
11 machinery as it affects the intent of the scholarship pro-
12 gram. The third gives merely where the students are
13 actually in which institutions. The second and fourth
14 are the ones, therefore, the Commission was particularly
15 interested in, and as regards the second, I think the point
16 I would emphasize would be that the Commission assumes in
17 its recommendation that the termination date of the present
18 bill be eliminated, that the program is realizing its intent,
19 that it is realizing it without having occasioned any other
20 undesirable result; and thirdly, that the intent of the
21 bill is still valid, and therefore the Legislature would
22 like to see it continued.

23 The Commission feels that it is being realized,
24 underscoring that, in the distribution of the students,
25 though by their own choice, in that two-thirds are going
26 to the private colleges and one third going to the State

1 Colleges which equivalently affects the equalization of
2 opportunity that was the intent of the Legislation.

3 The Commission is happy to notice this result
4 and feels that the scholarship program therefore is success-
5 ful, and therefore it would like to see it continue since
6 in its original intent it was evaluated as having a service
7 both in economy as well as in opportunity for the citizens
8 and the youth of the State.

9 Secondly, as regards the legislative recommenda-
10 tions, the Commission felt on the score of eliminating of
11 the date and the re-titling of our much esteemed and valued
12 secretaryship to a directorship, these are clear recommenda-
13 tions that we make with earnestness for their adaptation.
14 As regards the others, the Commission feeling was that they
15 would prefer to wait until maybe this time next year to
16 offer recommendations with the understanding that in the
17 interim we could perhaps make some studies, some surveys,
18 which might be of value for the Committee in its valuation
19 in increasing the amount for scholarships, in increasing the
20 number of scholarships, and which ramifications the Committee
21 might wish to hear in regards the relationship of any thought
22 of a subsistence scholarship program to the present tuition
23 scholarship program. The thought was that by next year
24 it would have reached the fourth year of the program's oper-
25 ation. A goodly number of the students who started out
26 with the program would have graduated. We could see what

1 they were doing with their achieved sheepskin and what it
2 meant in their lives, and we could get a better picture of
3 the total impact of the program, both in its relationship
4 to any other desires, and the Committee or the Legislature
5 might wish to take into consideration in that regard some
6 of the thoughts that have been presented to the Commission
7 through the past two or three years in making educational
8 opportunities available to more and more students, available
9 to them in terms of the quality of the programs they might
10 wish to seek, relationships of commuting students to non-
11 commuting students, the relationships to the Junior Colleges.
12 Many of the good and deserving intents realizable through
13 this scholarship programs have been urged on the Commission,
14 and the Commission realizes the merits in many of those pro-
15 grams, but it is a little concerned about what their rela-
16 tionship might or should take, or should be, rather, toward
17 this program, and therefore we would like a little more
18 time to get a better picture of what has happened.

19 These are the underscorings I thought I might
20 mention in support of Mr. Moore's report. The Commission
21 as a whole, I think, is very happy with the conduct of the
22 program and has been gratified with the acceptance it has
23 received in both the minds of the public as well as among
24 educators.

25 Thank you, Mr. Chairman.

26 CHAIRMAN CRAWFORD: Thank you. Any questions,

1 Mr. Kelly?

2 ASSEMBLYMAN KELLY: I was going to ask a ques-
3 tion, but I think Father cleared it up, and that is that
4 there will be no suggested legislation for a change increas-
5 ing the \$600 to seven fifty or some other figure until after
6 next year; is that right?

7 FATHER HAUCK: That was our intent, that if the
8 Committee demands, I suppose, that we go on record as to
9 what would be our point of view, we would prefer, neverthe-
10 less, that you not ask that of us until we have more exper-
11 ience in handling the situation and see what it really needs.

12 ASSEMBLYMAN KELLY: Thank you.

13 CHAIRMAN CRAWFORD: Well, now, both of you have
14 given us your opinions, not actually your jown personal
15 opinions, but the opinions of the Commission. Now, I would
16 like to ask your personal opinions, if it is any different
17 from that of the official Commission recommendations, and
18 Mr. Moore, do you feel that there should be any more State
19 scholarships, should be a larger number of them? If so,
20 how many?

21 FATHER HAUCK: You're on your own, James.

22 MR. MOORE: Am I? One of my employers says
23 at this point that I'm on my own.

24 Based on our experience this year, I would believe
25 that if an additional -- well, let me put it this way: On
26 a positive basis, that 640 additional awards should be

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23 at this point that I'm on my own.

24 Based on our experience this year, I would believe
25 that if an additional -- well, let me put it this way: On
26 a positive basis, that 640 additional awards should be

1 available next year to meet the growing number of applicants
2 in the program whom we would deem to be fully qualified. I
3 would think there would be at least twice that number be-
4 cause of the rather thorough going public understanding of
5 the program at this point, and because in talking with high
6 school counselors and other guidance personnel, the scholar-
7 ship program as such is now coming to be regarded as one
8 kind of a bridge between the senior year in high school and
9 the freshman year in college for those students who are in
10 financial need, but have ability and so forth.

11 CHAIRMAN CRAWFORD: Have you estimated how
12 much more money would be needed for an extended program?

13 MR. MOORE: Very little, as far as the adminis-
14 trative cost is concerned. 640 additional awards, let's
15 say, for the fiscal '59-'60 would cost -- 640 times probably
16 \$430, in round numbers, a quarter of a million dollars in
17 addition to our present estimated award requirements for
18 next year of about one million one hundred thousand or some-
19 thing in that general area.

20 CHAIRMAN CRAWFORD: You have already covered
21 the Commission's view as to whether the individual awards
22 should be increased. What is your own opinion?

23 MR. MOORE: As far as the ceiling on the award
24 is concerned?

25 CHAIRMAN CRAWFORD: Yes.

26 MR. MOORE: I think a fair approach to that at

1 this point would be to elevate the ceiling from \$600 to
2 not less than seven hundred fifty, and preferably eight
3 hundred. This would have the effect of covering all
4 of the tuition in a majority, or not a majority, but a sub-
5 stantial number of the independent colleges in that State
6 and would cover up to three-quarters of the tuition in those
7 schools which are at or above a thousand dollars. There
8 are eight colleges in the State at that level right now,
9 and I think there will be more in the near future.

10 CHAIRMAN CRAWFORD: Do you think that the addi-
11 tional colleges and schools such as Junior Colleges,
12 Business Colleges and such should be included in the State
13 program?

14 MR. MOORE: Speaking personally, again, I am
15 personally in favor of retaining the present pattern of
16 participation in the program on the basis of accreditation
17 by the Western College Association as a two or four year
18 institution of collegiate grade. I find it in many
19 respects a little difficult, knowing the nature of the
20 establishment or the reasons of establishment of Junior
21 Colleges, to equate the fee for extensive scholarship situ-
22 ations in institutions of this nature; as far as other
23 categories of schools are concerned, my feeling here is that
24 it would put a very heavy and weighty burden on the shoulders
25 of the Commission to distinguish as between one type of
26 school and another. There are many hundreds of educational

1 institutions, quote, unquote, in the State of California,
2 and to sort out among them as the Veterans Administration
3 has had to do, or the Bureau of Readjustment Education in
4 the State Department has had to do, I think it would be
5 extremely difficult. For that reason, I feel that the
6 present legislation or the present section of the law which
7 qualifies institutions is quite adequate, quite firm and
8 provides us with the direction which we need.

9 CHAIRMAN CRAWFORD: One last question: I be-
10 lieve you have indicated that you have the necessary legis-
11 lative authority whereby the Commission can administer
12 scholarships from private sources?

13 MR. MOORE: That is correct.

14 CHAIRMAN CRAWFORD: Has the Commission thought
15 or considered making this fact better known throughout the
16 State?

17 MR. MOORE: We have developed a series of poli-
18 cy statements which set forth a pattern of conditions under
19 which we can be of assistance to interested groups of per-
20 sons, but have not as yet carried on a program of publicity.
21 Father Hauck, could you refresh my memory on that one a
22 little bit, because you were, as I remember, actively in-
23 volved in the discussions at the last meeting or the meeting
24 before this on why we would simply effect this policy and
25 then in a sense wait for people to come to us who had funds
26 which they were interested in apply to scholarships in the

1 program?

2 FATHER HAUCK: The Commission is aware of this
3 clause in the law which contemplates the possibility of
4 private funds, or donations, coming for this purpose. We
5 established a Committee to study under what precise detailed
6 policy we could handle such a matter and the Committee re-
7 ported and the Commission accepted more or less the follow-
8 ing policy statement at its October 10th, 1958, meeting:
9 The State Scholarship Commission in accordance with Govern-
10 ment Code Sections 11005 and 11065.1 will accept gifts and
11 donations for scholarships, foundations and other agencies
12 in accordance with the following provisions: That the
13 gift shall be in cash, bonds, stocks or convertible deben-
14 tures; be in an amount not less than \$50.00; that all
15 gifts and donations shall be received and officially accept-
16 ed by the State Scholarship Commission; they shall be re-
17 ferred to the Director of Finance for financial approval
18 and deposit in an appropriate account; that the Commission
19 shall disperse the funds from this special account to grant
20 scholarships in accordance with the rules and regulations
21 set forth by the Commission; that such funds shall be al-
22 lowed to accumulate in the amount necessary to equal the
23 annual award to qualified students; that the -- that if
24 the annual number of scholarships is insufficient to meet
25 the needs of all students qualified in statewide competi-
26 tion, scholarships granted from this special fund shall be

1 made at large and in the same manner and in the same criter-
2 ia as State scholarships are provided; finally, that in the
3 event the special fund is insufficient for renewal of schol-
4 arships, these scholars shall qualify for renewal under the
5 State Scholarship Law, since scholarships from the special
6 fund are granted in the same manner as the State scholar-
7 ships.

8 I have recited some of the detail of that to
9 indicate there are several difficulties in the processing
10 of this kind of funds, and the commission had to feel its
11 way so as not to allow itself to be encumbered with ten
12 dollars and five dollar gifts, and secondly, to have free-
13 dom to dispense, disburse the scholarships without creating
14 any special category of regulations governing them.

15 Knowledge of this possibility has reached certain
16 sources and we have had inquiry from lawyers interested in
17 people, I imagine, expressing the interest of people who
18 are making up their wills or estates, and from various
19 service organization, P. T. A. groups and so forth, but
20 generally speaking, in terms of small amounts, or in such
21 small amount that we threw in that clause there about a
22 floor. I would suppose, to answer directly your question,
23 greater publicity could be given to it. The Commission
24 felt it might be entering into the field of soliciting funds,
25 which is already a rather crowded operation, and competition
26 is a little rough, and they felt that they had best wait

1 until people approached them rather than to have an adver-
2 tising program.

3 CHAIRMAN CRAWFORD: The reason I raised the
4 question is that in my travels throughout the State, I have
5 been continually asked the question, "Why don't you enact
6 legislation so that that State Scholarship Commission can
7 handle private donations", so I believe there is a lack of
8 knowledge as to your powers at the present time, and it
9 certainly would provide, I believe, a more efficient admin-
10 istration of scholarship funds because in a small, say a
11 fifty dollar scholarship, isn't enough to do any good, and
12 I imagine there are many fifty dollar scholarships, it will
13 serve no worthwhile purpose whatsoever.

14 Do you have any questions?

15 ASSEMBLYMAN KELLY: No.

16 CHAIRMAN CRAWFORD: I want to thank both of
17 you for appearing here today.

18 Mr. Ludlan.

19 MR. JAMES E. LUDLAN: James E. Ludlan, Attorney,
20 and Legal Counsel for the Association of Independent Cali-
21 fornia Colleges and Universities.

22 We have considered most of the recommendations
23 which have been made by the Commission for legislation at
24 the 1959 session and have the following comments to make:

25 On Item Number 1, on termination date of the
26 State scholarship program, we are fully in accord with that

1 recommendation. We think that it will lead to a better
2 administrative program if everybody knows where this pro-
3 gram is going and the fact it is with us for a long period
4 of time. We feel it has established its merit and that
5 it should be continued on a permanent basis.

6 On the Item Number 2, that is a technical matter.
7 It is not of concern to us, but as a lawyer, I would say
8 they are right in desiring the change, as far as giving Mr.
9 Moore another hat, or a better hat. We are all in favor
10 of that. Jim has done a good job, and we are in favor
11 of it.

12 Now, as to the key items, and we would lump
13 them together, the items as to (a) more awards; (b) increas-
14 ing the size of the award; or (c), having a subsistence
15 type scholarship program. This is a matter of great de-
16 bate amongst our membership, what the policy should be as
17 far as this association was concerned. Our members are
18 probably more familiar than anyone else with the fact their
19 tuition has substantially increased because our members are
20 the ones who have increased tuitions to try to meet the in-
21 creasing costs with which they are faced. However, they
22 felt as a basic policy they believe that if the program is
23 to be expanded that there should be more people benefited
24 rather than this increasing benefits for any individual
25 person; and therefore, if the Legislature determines in
26 its wisdom that additional money should be put into this

1 scholarship program, they would prefer to see the State
2 increase its number of scholarships rather than increasing
3 the amount of the individual scholarship award.

4 We realize that the ultimate effect of this is
5 that the private institutions will have to make up the
6 difference, but they felt that the need for a program of
7 this type and the expansion of it to more people is more
8 important than trying to do more for the individual persons,
9 and in reviewing this with our individual members, we found
10 that as a matter of policy, they believe that no scholar-
11 ship award winner who requested admission to their institu-
12 tion should be denied admission for financial reasons alone.
13 In other words, if he meets all other qualifications, the
14 fact he has only a scholarship of \$600 and the tuition is
15 in excess of a thousand, should not be grounds for denying
16 him admission, and that the university or college should
17 find other sources of funds to make up that difference,
18 whether they be from their own funds, obtaining a job for
19 him or some other source, so I say their basic policy as
20 number one priority should be in increasing the number of
21 awards if there are additional funds available. Secondly,
22 if we are getting more and more generous and you expand
23 that type of expense and you want to add to the amount,
24 they will be very happy to see the amount come in the amount
25 of the additional awards, but that is a secondary considera-
26 tion.

1 Third, on the matter of subsistence scholarships,
2 they believe that is third in priority, in their views.
3 They believe if there is to be a subsistence scholarship
4 program, it should be a separate program, separate and apart
5 from the existing program and it should be made available
6 to students attending any type of qualified higher educa-
7 tion institution within the limits of the regulations of
8 the Commission. Perhaps to that extent we are different
9 than the Commission's recommendation where they tied it to
10 existing award winners, but we do think that it should be
11 made available to those attending not only private schools,
12 but also the public schools, to universities, State Colleges
13 and the like.

14 I think that in brief is the attitude of our
15 members on it. They believe this program has done a
16 tremendous amount of good and been one of the finest ex-
17 penditures of the State funds we have seen in recent years.
18 It is not our intention to come to the Legislature and ask
19 for additional money this year. We understand the posi-
20 tion of the Legislature, and if the Legislature feels among
21 the funds it has to spend, additional money can be made
22 available for State scholarships, we think they should in-
23 crease the number of awards.

24 CHAIRMAN CRAWFORD: If I understand you correct-
25 ly, you say that the group you represent are the ones who
26 have largely raised their tuition fees?

1 MR. LUDLAN: Well, the largest increase, be-
2 cause they are the private institutions. Perhaps on a
3 percentage basis, about the same, but ours started out
4 with a larger tuition in the first place because they are
5 the private institutions.

6 CHAIRMAN CRAWFORD: Thank you. Any questions,
7 Mr. Kelly?

8 ASSEMBLYMAN KELLY: To clarify this point,
9 the recommendation that your group makes is that if there
10 should be at some time a subsistence scholarship, that they
11 shouldn't necessarily be tied to the recipients of the State
12 scholarship, but they should be separate and apart and avail-
13 able to even students who do not have the State scholarships?

14 MR. LUDLAN: That's correct. Maybe from an
15 administration point of view you would have to tie the two
16 together, but I think in keeping with our philosophy of
17 doing for more people that we wouldn't necessarily require
18 that they be tied to the existing award winners. That
19 probably is going to create some problems for Mr. Moore,
20 I'm sure, but we have great confidence in Mr. Moore's
21 ability to work these problems out.

22 ASSEMBLYMAN KELLY: Thank you.

23 CHAIRMAN CRAWFORD: Thank you, Mr. Ludlan.

24 MR. LUDLAN: Fine. And incidentally, we are
25 making a survey of our member institutions to see how many
26 additional award winners they could absorb if the program

1 is expanded, and we will have that information to you early
2 in the session. The preliminary returns which we are re-
3 ceiving indicates that there has been a substantial increase
4 in the number of students in the private schools since the
5 program became effective in 1956, and that additional spaces
6 would be available in the event the program were increased,
7 and we will submit that information to Mr. Marshall as soon
8 as we receive it.

9 CHAIRMAN CRAWFORD: Thank you.

10 MR. LUDLAN: We assure you of our cooperation
11 in any way that we can furnish it.

12 CHAIRMAN CRAWFORD: Thank you.

13 Mr. Johnson?

14 MR. ROBERT S. JOHNSON: Mr. Chairman --

15 CHAIRMAN CRAWFORD: Will you identify yourself
16 for the record?

17 MR. JOHNSON: Yes, sir. My name is Robert S.
18 Johnson. I am an administrative analyst in the Office of
19 the President of the University of California.

20 Mr. Corley would have liked very much to come
21 here today, gentlemen, but unfortunately for him, we have
22 a Regents' meeting in Los Angeles, and he's attending there.
23 Since I had made some analysis of the operation of the pre-
24 sent program, he had asked that I come before you today.

25 Now, as I went through the files in our office,
26 I found that the University of California has been interested

1 in the development of a State scholarship program for at
2 least twenty years, a program that would offer equal op-
3 portunity for a college education to the best students
4 regardless of their choice of schools or their place of
5 residence or their family circumstances. During the past
6 ten years there have been two extensive studies of the needs
7 of higher education in California at the request of the
8 Legislature, and both of these studies recommended a schol-
9 arship program. For example, in 1948 the Strayer Commit-
10 tee survey pointed out that the inability to take advantage
11 of the institutions already established rises largely from
12 the fact that it is not possible to provide a college or a
13 university so located that every able and ambitious youth
14 can live at home and attend.

15 Then in 1955, the Joint Staff restudy, with the
16 endorsement of the Committee of distinguished advisors from
17 the public colleges and the universities and private col-
18 leges and universities proposed a combination of dormitor-
19 ies and state scholarships as, and I'm quoting, "a signi-
20 ficant contribution toward equalizing the educational op-
21 portunities for students living beyond commuting range of
22 present institutions."

23 Now, the present scholarship program, the State
24 scholarship program, was established in the same year. That
25 is, 1955. However, its awards differ in one substantial
26 respect from those recommended by the two studies requested

1 by the Legislature. The awards do not provide for the
2 cost of subsistence, and these in fact are the major ex-
3 penses that students living away from home have to face,
4 so that when one studies the operations of the present law,
5 at least I have come to the conclusion that we at the univer-
6 sity, the Regents, have come to the conclusion that the law
7 can be improved, first, because it fails to give students
8 who live outside commuting distance of our colleges and
9 universities as much opportunity or even financial help
10 as it provides to those within commuting distance. Ana-
11 lysis of the State Scholarship Commission's reports and the
12 State Scholarship Commission in reporting, in one of its
13 reports gives the high schools from which these students
14 are selected. When one analyzes these reports, he finds
15 that only 20 percent of the awards have gone to students
16 from high schools located more than 20 miles away from an
17 existing college or university campus. In other words,
18 80 percent have gone to those within commuting distance.
19 Now, it is true, of course, that most high schools in the
20 State, particularly the larger ones, are within such dis-
21 tance, but even allowing for this, the fact is that one
22 award has gone to every 850 enrollees of high schools
23 within the 20 miles commuting distance, but only one award
24 has gone to every 1200 enrollees of high schools outside
25 the district, or to put this another way, graduates within
26 commuting distance of a college had nearly a fifty percent

1 advantage over those outside commuting distance. In short,
2 gentlemen, the present scholarship program because it fails
3 to allow for subsistence costs has not primarily helped the
4 students outside commuting distance of a college, but it
5 instead has increased the advantage of a student who has
6 a college within commuting distance of his home.

7 The second finding that would like to bring to
8 you is this: That the present program tends to make
9 smaller awards to applicants from families with smaller
10 incomes and larger awards to those from families that have
11 larger incomes. According to one of the Scholarship
12 Commission reports, the mean gross parental income of
13 students receiving fifty to one hundred fifty dollars
14 scholarships was \$6,632, while the parental income of
15 those receiving five hundred to six hundred dollars scholar-
16 ships was \$7,325, or \$700 more. Students who under the
17 present formula for determining need could qualify for
18 \$600 awards to institutions with high tuitions charges are
19 not able to secure a seventy-five or a one hundred dollar
20 award for a public college or a university.

21 Then the third finding that I would like to bring
22 to you this: That the very neediest, and this I think is
23 the most important point, the very neediest, in other words,
24 those who cannot attend any university or college unless
25 they receive some financial aid towards subsistence as well
26 as tuition costs, do not benefit at all from the present

1 program. One-half of all the families, according to a
2 report in the newspapers the other day, one-half of all
3 the families have incomes of less than \$5000 a year. The
4 average family incomes of those receiving State scholarship
5 awards is well above the national average of all family
6 incomes. As I pointed out to you just now, the average
7 of one is \$6,632 for fifty to one hundred fifty dollar
8 scholarships, and \$7,325 for five hundred to six hundred
9 dollar scholarships, while the national average is \$5,000
10 a year.

11 The average family incomes of those receiving
12 state scholarship awards then is well above the national
13 average, so the point I would like to make is that we are
14 not giving the award as much to those in the lower half
15 as we are to those in the upper half of our financial in-
16 come brackets.

17 As the program now stands, the inadequate assist-
18 ance offered by awards under the present program discour-
19 ages many deserving children of low income families from
20 even applying, because such students must have some help
21 toward meeting their subsistence costs if they are to attend
22 college, particularly if this means they have to go away
23 from home. In summary, then, it seems to us the central
24 conclusion that can be drawn is that under the law as it
25 now stands, the state scholarship program does not operate
26 to give the most help to those who need help most, and that

1 it can be improved in this respect only by offering equal
2 scholarships for equal need, and allowing subsistence costs
3 as well as tuition costs to be taken into account, and so
4 it is with such considerations as these in mind that the
5 Regents of the University have recommended that the present
6 scholarship act be amended or perhaps supplemented to allow
7 use of scholarship awards for other necessary expenses as
8 well as for tuition fees.

9 CHAIRMAN CRAWFORD: Have you considered the
10 question that has been raised at other of these meetings,
11 the fact that -- well, I better give an example. Perhaps
12 it would be easier. We know that the citizens in Imperial
13 Valley have been agitating for a long time to have a four
14 year college. At the same time, I think all of us realize
15 that they do not have a sufficient student population to
16 substantiate the cost capital improvements that would be
17 necessary for a four year college. Has there been any
18 study by you or by others as to the relative merits and
19 actual lesser cost to the taxpayers in providing, say,
20 eligible students from Imperial Valley with some assistance
21 to go to another school?

22 MR. JOHNSON: Mr. Chairman, I don't have the
23 figures here, but both the Strayer report, the Strayer study
24 in 1948 and the restudy of 1955 did take that very question
25 into account, and did decide that it would be cheaper for
26 the State instead of trying to build a college within com-

1 muting distance of every home or even in some of these
2 areas, to build dormitories and then provide subsistence
3 scholarships so they could attend a college or institution
4 of their choice, whether they be public or private.

5 CHAIRMAN CRAWFORD: Thank you. Any questions,
6 Mr. Kelly?

7 ASSEMBLYMAN KELLY: The suggestion that the
8 subsistence scholarship be allowed, how would that balance
9 off with these privately endowed universities, like, say,
10 Stanford and Cal, just because of their nearness? If
11 a student went to Stanford on a state scholarship, they
12 use all the \$600 up before they get in through Palm Drive
13 pretty near. It takes a thousand and fifty, according
14 to the new scale, and I was just remembering when I went
15 there, it was \$60.00 a quarter. Things have changed
16 evidently, but the point is now, the University of Cali-
17 fornia, if the subsistence scholarship is allowed, wouldn't
18 there have to be a variation in the maximum that would be
19 allowed, because otherwise you would have an unequal balance
20 there?

21 MR. JOHNSON: I think we are talking now about
22 choices of universities, that probably the present limit
23 would have to be increased or else another plan, in order
24 to provide the type of choice you are talking about -- I
25 think, though, I could find at present that the law does
26 not provide that equal choice you are talking about, but

1 instead, as I believe was testified here, it tends to
2 offer an advantage to those who choose the private insti-
3 tutions. In fact, there were some figures that were
4 developed that would indicate that the family income of
5 those who choose one of these, and it happens to be Stan-
6 ford, the family income after paying the college expenses
7 of the student and securing the scholarship, the family
8 income is still some \$1800 higher than the family income
9 of those who receive a scholarship to the University of
10 California, so the equating you are talking about, sir,
11 is now in the opposite direction.

12 ASSEMBLYMAN KELLY: I see. It is a problem
13 that will have to be worked out, I realize. You would
14 have to increase this maximum, probably, one way or other,
15 to take care of some of the problems we are thinking of.

16 MR. JOHNSON: Yes. I really wish someone from
17 the public schools -- it sounds as if we have too much of
18 an interest at stake here, perhaps, but the real point that
19 I think should be made is that a good scholarship program
20 should provide, as I have said, an opportunity to those
21 who could never go to a school otherwise, and I'm afraid
22 this doesn't do that for some of these people in Imperial
23 Valley or outlying districts who happen to come from very
24 moderate circumstances, let's say, three or four thousand
25 dollars a year of parental income.

26 ASSEMBLYMAN KELLY: I was interested to see

1 the statistics that such a large percentage came, you
2 might say, within walking distance of the school they have
3 a scholarship to.

4 MR. JOHNSON: I didn't quite say that, of an
5 existing institution. This may well pick up someone who
6 is in Berkeley and goes to Stanford, and vice versa.

7 ASSEMBLYMAN KELLY: But 80 percent, roughly,
8 come into that category?

9 MR. JOHNSON: Yes. And the point made in that
10 study and restudy are that the scholarships would attempt
11 to equate opportunity geographically so the boy who happens
12 to be up by Yreka or someplace would have an opportunity
13 somewhat equivalent to a boy who happens to live within
14 commuting distance of some college or university.

15 CHAIRMAN CRAWFORD: Thank you.

16 This concludes the meeting of the Subcommittee
17 on Scholarships. I want to thank you all that have been
18 here as witnesses, as well as being observers. I think
19 that this Committee has received very beneficial informa-
20 tion and it will be of great assistance in determining if
21 legislation is needed, and if it is needed, the type that
22 is needed.

23 Thank you for coming.

24 . . . The meeting of the Subcommittee was there-
25 upon adjourned and closed at 3:30 o'clock, p. m. . . .
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4 REPORTER'S CERTIFICATE

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6 This is to certify that I, HAROLD KRABBENHOFT,
7 CSR, Official Court Reporter for the County of El Dorado,
8 State of California, was present at the time and place
9 the foregoing proceedings were had and taken on Thursday,
10 the 18th day of December, in Room 2170, State Capital,
11 Sacramento, California; that I did take down in Steno-
12 graph writing all of the aforementioned proceedings fully,
13 truly and correctly to the best of my ability; that I
14 thereafter caused my said stenograph writing to be trans-
15 cribed into longhand typewriting; that the foregoing
16 pages beginning at the op of page 1 to and including line
17 25 on page 134, constitute a full, true, accurate and cor-
18 rect transcription of my said stenograph writing.

19 Dated this 1st day of January, 1959.

20
21 _____ CSR

22 Official Court Reporter,
23 El Dorado County.
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